



Daily Report

Latin America

FBIS-LAT-91-070
Thursday
11 April 1991

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Cuba

GRANMA Calls UN 'Pliable' U.S. Instrument

PA1104011391 Mexico City NOTIMEX in Spanish
2306 GMT 7 Apr 91

[Text] Havana, 6 Apr (NOTIMEX)—The Cuban newspaper GRANMA, the official organ of the Communist Party of Cuba [PCC], harshly criticized the United Nations today by saying that "the Roman Empire never had so docile an instrument as the United States had in the United Nations" during the Persian Gulf war. In an extensive front-page editorial, GRANMA equated U.S. policy in the Persian Gulf to that of the Roman Empire although, the paper said, the latter did not have a United Nations to "bless its atrocities."

The editorial was prompted by the recent UN Resolution 687/91 on the terms to impose a cease-fire on Iraq. Cuban President Fidel Castro said the resolution is "monstrous" and unfair.

GRANMA pointed out that the United States found "a pliable United Nations" because "the restraining wall against the U.S. aggressive, warmongering policies has disappeared." The approval of a resolution for the use of force against Iraq and the cease-fire terms were marked by the collapse of the Socialist bloc and the Soviet Union's serious problems, the editorial said.

The newspaper added: In the Security Council, Cuba voted no to the most recent resolution against Iraq "consistent with justice and the independent criterion that Cuba has maintained since the beginning."

The PCC's official organ said that "it is not clear whether or not the border problem between Iran and Iraq is under UN jurisdiction."

In addition, GRANMA added, the United Nations requested the dismantling of the Iraqi military equipment "without doing the same to the other area countries, including Israel."

Finally, the paper underlined that Cuba's vote against the resolution at the Security Council "symbolizes and represents the defense of law, independence, and justice."

Argentine Criticism on Human Rights Noted

FL1004184191 Havana Tele Rebelde Network
in Spanish 1700 GMT 10 Apr 91

[Text] There is an old saying that says: There is none so blind as he who will not see. In the opinion of our journalist Juan Suarez, this saying can be applied well today to the Argentine Government and its position concerning our country. Recently the U.S. delegation to the UN Human Rights Commission in Geneva proposed for the nth time a motion against Cuba for alleged human rights violations, which was approved because of the Argentine Government's attitude.

The Pink House [Argentine White House] ordered its delegate to vote in favor of the condemnation of Cuba after a consensus had been reached in the group of Latin American nations that the draft resolution was unjust. As if this were not enough, in recent days, during the meeting of Rio Group foreign ministers held in Colombia, the Argentine representative again asked for a condemnation of Cuba for these alleged violations. This initiative was completely rejected by the foreign ministers who were present there.

It seems that the top authorities in Buenos Aires have forgotten the historic ties that join us and the values of the people they lead. The Argentine nation is suffering from the blows of the economic crisis the world is experiencing, and its government wants to normalize the situation and reduce the overwhelming foreign debt. The need is pressing, and Carlos Menem is seeking foreign loans to resolve these problems. Apparently, the Argentine president is trying to ingratiate himself with the powerful empire in order to obtain its crumbs.

It is enough to remember that the government in Buenos Aires was part of the coalition against Iraq led by the United States and is playing along with Washington in international fora. It is sad, or perhaps shameful, that President Menem would forget the American and Cuban positions at the time of the Falklands conflict—the dignity of the Argentine people and their Latin American essence—at a time when integration is a necessity.

USSR Central Budget in 'Critical' Situation

FL1004215091 Havana Radio Reloj Network
in Spanish 1958 GMT 10 Apr 91

[Text] A parliamentary leader has said that the conflict between several republics and the central authorities has placed the Soviet budget in a critical situation which will require the implementation of emergency measures. Aleksandr Orlov, chairman of the Budget, Planning, and Finance Commission of the Supreme Soviet, reported today that as of 1 March, the Republics have only contributed 7,000 million rubles. This is less than a third of the expected amount.

Oslov believes that this situation is the result of many decisions that go against the law and a drop in production. The republics are reducing their contribution to the central budget while increasing their own, he added. Experts are of the opinion that if this situation continues, by the end of the year the deficit could reach 123,000 million rubles, almost \$190,000 million.

Corrieri Holds News Conference in Venezuela

FL1004175091 Havana Tele Rebelde Network
in Spanish 1700 GMT 10 Apr 91

[Text] Sergio Corrieri, the president of the Cuban Institute of Friendship With the Peoples, has given a news conference in Caracas, the Venezuelan capital, about the

Cuban revolution's situation and prospects today. Corrieri noted that to analyze Cuban reality, it is necessary to be familiar with the revolutionary process and its main actor, the people. Corrieri, who is also a member of the Central Committee of the Communist Party of Cuba, answered many questions from those attending concerning achievements in education, social security, tourism, and other subjects.

Latin American Education Policy Problems Noted

*FL1004005291 Havana Radio Rebelde Network
in Spanish 2300 GMT 9 Apr 91*

[Lazaro Barredo commentary: "Where Policies and Social Justice Are Joined or Divorced"]

[Text] Some news items reaffirm the certainty that the revolution is our only alternative. The annual meeting of education ministers of America opened in Washington yesterday. It was acknowledged that there are 75 million children under 15 years of age in Latin America whose absolute poverty prevents them from getting an education. Gentlemen, those 75 million children represent, no more and no less, approximately 20 percent of the entire Latin American population.

This is one of the echoes of the dead-end street the region is facing. The eighties, the lost decade, is revealed as a common denominator in the Latin American language. Nobody can talk of managing wealth but of managing crises without policies that provide services to the popular masses. Now they are coaxed with the possible solutions which the neoliberal formulas could bring in the nineties.

What does neoliberalism intend to do? In a few words, it looks for formulas that promote in people the belief that, faced with the increased costs of public services, privatization policies are the way to get out of the crisis. The reality is oversimplified so much that neoliberalism romanticizes this matter with the idea that privately run is synonymous with efficiency and state-run is synonymous with inefficiency. With this idea, neoliberalism is already leading state reforms toward privatization or, as it is justified, toward the pedagogy of freedom. [sentence as heard] The hope is that freedom and social sovereignty will be taken by the hand by the free-market and currency system.

Such unpopular recipes, which are restrictive and against nationalization, are surely going to produce the result that, perhaps after three to five more years, instead of 75 there will be over 100 million children who are deprived of this human right because of a much greater economic and social crisis inasmuch as if the governments have not been able to deal with the situation, one could imagine that private entities will show much less interest in even attempting to solve any social problem.

There is another even more serious contingency. If today the Latin American governments cannot even assume the responsibility of their inhabitants' education, how

are they going to solve the serious problems which lie ahead? The UN Population Fund predicts that during these 10 last years of the century, that is, from now until the year 2000, there will be a demographic growth, a population boom [previous word rendered in English] of almost a third of Latin America's current inhabitants. That is, there will be 100 million more people with such a poor infrastructure.

How much does Latin America need before it makes an attempt to urgently apply a special period policy? In Cuba, although we are preparing to assume with national consciousness the most acute situation, not a single child or young person will be deprived of an education. Here the discussions are about something else: whether the pre-university students should go to rural schools, or if we should increase the schools' maintenance, or if we should increase the quality of education, or if we should provide apartments in Alamar or Reparto Bahia for the university scholarship program.

Not even the most absurd propaganda can overlook such a contrast. The language used by education ministers in Washington and our ministers is completely different. Where does the difference lie? Where policies and social justice are joined or divorced.

Inter-Caribbean Affairs

Japan Promises More Aid for Caribbean Development

*FL1004133091 Bonaire Trans World Radio
in English 1130 GMT 10 Apr 91*

[Text] Japan says it will contribute more money to development in Latin America and the Caribbean. Japanese officials made the promise at the meeting of the Inter-American Development Bank currently in session in Tokyo. They will take part in a multi-million dollar effort sparked by the U.S. to fund private investment in the region.

Barbados

BGIS Says Sandiford Pursuing Financing in Japan

*FL1004193091 Bridgetown CANA in English
1630 GMT 10 Apr 91*

[Text] Bridgetown, Barbados, April 10, CANA-- Barbados pushed its case for new cash inflows in the Japanese capital market and the Inter-American Development Bank (IDB) during the IDB's 32d annual board meeting in Japan this week, according to the Barbados Government Information Service (BGIS).

Prime Minister Sandiford, in Japan for the meeting, told Japanese Premier Toshiki Kaifu on Tuesday that Barbados is approaching the Japanese capital markets for a yen denominated private placement bond issue as part of its debt management strategy. "He requested the full assistance of the Export-Import Bank of Japan in the issues as had been given previously," the BGIS said.

Official debt service in the 1991-92 financial year here is Bds [Barbados dollars] 281 million dollars (one Barbados dollar equals 50 cents U.S.), including a one-sho. payment of about 65 million on a Japanese loan.

Sandiford earlier told IDB President Enrique Iglesias and other Caribbean governors at a breakfast meeting that the IDB was most responsive in helping the Caribbean meet socio-economic objectives in a framework of regional co-operation. Barbados in particular is benefitting from the implementation of on-going projects, and is "looking forward to consummation of a new pipeline of projects in order to maintain a positive flow of resources from the IDB to Barbados," the government statement said.

Prime Minister Sandiford leaves Tokyo at the weekend for home via New York. In his meeting with the Japanese premier, Sandiford praised Japan's role in assisting the Latin American and Caribbean region to pursue its economic and developmental goals. He said Barbados was benefitting from the outward-looking policies of the Japanese Government, not only through the allocation of Japanese resources to the IDB but also through the allocation of grant funds from Japan towards partial financing of aspects of a coastal conservation project for Barbados.

Haiti

Trouillot No Longer Under House Arrest

FL1004184091 Port-au-Prince Radio Metropole
in French 1600 GMT 10 Apr 91

[Text] The house arrest of Mrs. Trouillot has been lifted, but the ban against her leaving the country is being maintained as an administrative measure, according to the government commissioner.

Foreign Ministry Warns U.S. Against Interference

FL1104122591 Bonaire Trans World Radio
in English 1130 GMT 11 Apr 91

[Text] Haiti's Foreign Ministry has warned the United States against interfering in that country's internal affairs, specifically regarding the arrest of former interim President Ertha Pascal-Trouillot.

The U.S. Embassy in Port-au-Prince had urged the Haitian Government to, in the words of the embassy, respect international law in its probe into the attempted coup. Mrs. Pascal-Trouillot was arrested in connection with the probe.

Meanwhile, Haiti's public prosecutor says Mrs. Pascal-Trouillot is free to go about her normal activities but is prohibited from leaving the country. She told the ASSOCIATED PRESS that she was not involved in the coup attempt and said she was captured by those involved in the coup and forced to write a letter at gunpoint which was later seized by authorities and called incriminating evidence.

Prime Minister Postpones Senate Presentation

FL1004185091 Port-au-Prince Radio Metropole
in French 1600 GMT 10 Apr 91

[Excerpt] The head of government, Rene Preval, did not make his presentation to the Senate today. In a letter addressed to the senators, the prime minister stated that he would not be available at this time and requested another invitation for a nonspecific date.

The senators intended to question Minister Preval on the cost of living; agricultural problems, particularly in the Artibonite Valley; the administrative reform in progress; and the financial condition of the Republic. [passage omitted].

IDB Agrees to \$11.5 Million for Irrigation System

FL1004134891 Bonaire Trans World Radio
in English 1130 GMT 10 Apr 91

[Text] Haiti has signed an agreement with the Inter-American Development Bank [IDB] for \$11.5 million in new credits. That money will be used to help Haiti's irrigation system.

St. Vincent and the Grenadines

House Speaker Suffers Stroke, Dies 9 Apr

FL1104001591 Bridgetown CANA in English
1511 GMT 10 Apr 91

[Text] Kingstown, St. Vincent, April 10, CANA—The speaker of the House of Assembly in St. Vincent, Fatima Adams, died in hospital Tuesday night. He was 67. Adams was admitted to the Kingstown General Hospital after suffering a stroke last Friday evening.

The lawyer won a seat to Parliament in 1966, running on a People's Political Party ticket. He was made minister of trade and production. Seven years later, he was appointed speaker. His second term as speaker came in 1989, after the New Democratic Party won the general election.

Trinidad and Tobago

Strikers Return to Work; \$10-Million Loss Claimed

FL1004125791 Bonaire Trans World Radio
in English 1130 GMT 10 Apr 91

[Text] The strike among iron and steel workers in Trinidad and Tobago has ended. More than 800 workers have returned to jobs at the central Trinidad steel mill. The strike reportedly cost the Indian company running the mill more than \$10 million. Terms of the agreement ending the strike include the establishment of a tribunal to investigate a worker's dismissal which had touched off the job action.

El Salvador

FMLN Attacks Military Positions in Capital

PA1004200891 Panama City ACAN in Spanish
1907 GMT 10 Apr 91

[Text] San Salvador, 10 Apr (ACAN-EFE)—Salvadoran guerrilla urban commando groups today attacked military positions in southern San Salvador, a military source reported, adding that so far there are no reports of any military or civilian casualties.

An Army spokesman told ACAN-EFE that at 1228 (1828 GMT), the rebels threw several grenades at the Armed Forces Telecommunications Instruction Center.

The source does not know if the rebel attack caused any casualties among the military or the civilians living in this densely populated area of the capital.

Attacks by the Farabundo Marti National Liberation Front (FMLN) have increased this week, while the government and FMLN delegates are in Mexico City for their seventh day of discussions seeking to find political solutions to the civil war that has claimed over 70,000 lives over the last decade.

FMLN Openly Criticizes Powell's Statements

PA1004234891 San Salvador Radio Cadena YSU
in Spanish 1200 GMT 10 Apr 91

[Communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) in Mexico City on 9 April—read by SALPRESS reporter Ricardo Gomez in Mexico City]

[Text] Regarding the statements made by General Colin Powell, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces, on the possibility of U.S. military intervention in El Salvador, the FMLN believes that:

1. They reflect the profound military weakness of the Salvadoran Armed Forces in that the Bush administration is already contemplating the possibility of military intervention to save it.
2. They run counter to the negotiation efforts that at this time demand decisive results for the sake of the peace process.
3. They hurt the possibility of reaching agreements by encouraging Arena's [Nationalist Republican Alliance] extremist positions against the negotiations.
4. They make no sense and will not work as a means to blackmail or pressure the FMLN, which is the flexible party that has brought negotiable initiatives to the table.
5. The Bush administration does not enjoy domestic consensus or international support for its efforts to seek a military solution that, at any rate, would have no possibility of winning in a popular war such as ours.

6. They reflect disdain for the sovereign spirit and national dignity of our people.

[Signed] FMLN General Command.

Rebel Commander: Talks Entering Difficult Stage

PA1104011991 San Salvador Canal Doce Television
in Spanish 0300 GMT 10 Apr 91

[Text] According to rebel commander Jorge Melendez, the peace negotiations between the government and the guerrillas, which are in their sixth day, have entered a very difficult stage. Conditions exist, however, to reach minimum agreements that could lead to a cease-fire, he added.

Melendez, known as Jonas, noted that the negotiations are difficult but that there are national and international conditions [words indistinct] for the process to become irreversible and for basic political agreements to be reached.

Jonas said that constitutional reform is the key to the negotiations and has prompted contradicting reactions in El Salvador [words indistinct] recognition of geographic zones controlled by the FMLN [Farabundo Marti National Liberation Front].

The guerrilla leader stated that the negotiations will continue until agreements [words indistinct] but he noted that this involves a change in the attitude of the government and the Armed Forces.

FMLN Commentary Terms Talks 'Irreversible'

PA1104042691 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 6 Apr 91

[Unattributed station commentary]

[Text] Despite all obstacles, rocks, and walls placed in its path, the negotiations have been moving forward slowly but surely. This explains the UN Secretary General's interest in mediating this conflict directly. This also explains the involvement of other governments, like Venezuela, Mexico, Colombia, and Spain, which have expressed their desires to contribute to a political solution in El Salvador. More recently, the Nicaraguan Government has offered to help find a solution and even offer Nicaraguan territory for the government-FMLN [Farabundo Marti National Liberation Front] negotiations. The Soviet Union has assumed a similar stance. Even more important, perhaps, is the fact that the U.S. Congress has frozen the promised \$42 million in aid to pressure the government and the Armed Forces to negotiate with the FMLN.

To negotiate is to give and take. Yet undoubtedly many have much to lose here. We are alluding to the military, who have only become rich through the war, and some oligarchs whose thoughts are reflected in the remarks of some government officials. These oligarchs cannot understand that the rest of the nation, which has always

been exploited, can hope to enjoy a worthy life and live amid better conditions by sacrificing part of the millionaires' wealth. These people are the ones who are afraid and tremble. They are terror-stricken because they see that the negotiations are irreversible.

This explains the inconsistent and contradictory remarks by Francisco Merino and Arena [Nationalist Republican Alliance] officials, who say that nothing can be done because it would be unconstitutional. At the same time, however, they say that to negotiate is not necessary to reform the Constitution. What then? The truth is that some people are nervous and panicky because they see that the negotiations, as we said before, are irreversible thanks to the FMLN's flexible proposals. This makes the FMLN the standard bearer, not only of the negotiations, but of peace and democracy in El Salvador as well.

Guatemala

Belize Proposal May Settle Territorial Dispute

PA10904145391 Mexico City NOTIMEX in Spanish
2241 GMT 5 Apr 91

[Text] Guatemala City, 5 Apr (NOTIMEX)—The Guatemalan Government today confirmed that it has received a proposal from Belize intended to resolve a territorial dispute that dates back 150 years. Belize offered Guatemala an outlet to the Caribbean Sea through El Peten Department.

Gonzalo Asturias, public relations secretary of the Presidency, said that so far the government of President Jorge Serrano has not responded to the proposal and that for the time being he has no comment.

Guatemala has been claiming Belize as its territory for years, however the country obtained its independence from Great Britain in September 1981. In January 1991, the OAS recognized Belize's independence and admitted it as a member country.

From the time he was a presidential candidate, Jorge Serrano has conceded that Guatemalans should recognize Belize as an independent nation. He said, however, that there would be adherence to the Guatemalan Constitution, which establishes that prior to recognition there must be a referendum.

The Belizean proposal offers Guatemala a corridor which allows it an outlet to the Caribbean Sea; in exchange, Guatemala would give up its claim to Belize.

Belize is a territory of 22,000 square km, bordered on the north by Mexico, on the west and south by Guatemala, and on the east by the Caribbean Sea. It has a population of fewer than 1 million people.

URNG Claims To Inflict 18 Army Casualties

PA11004040891 Guatemala City Teleonce Television
in Spanish 0400 GMT 9 Apr 91

[Text] The guerrillas claim the Army sustained 18 casualties, including dead and wounded, in actions during the first week in April.

A news dispatch from CERIGUA, which is considered the mouthpiece of the URNG [Guatemalan National Revolutionary Unity], says that last week's guerrilla activities include attacks on the garrisons at Tecpan in Chimaltenango Department, and Pueblo Nuevo and Ixtan in El Quiche Department. Soldiers sustained 10 casualties in the attack on the Tecpan garrison, according to the guerrilla news service.

Other actions took place in Ixcán and across the northern border and on the road between La Libertad and El Naranjo, Peten Department.

Official Army sources generally deny or minimize CERIGUA news dispatches.

* Inequality of 1989 Family Income Distribution

91C40088B Guatemala City SIGLO VEINTIUNO
in Spanish 22 Feb 91 pp 12-13

[Article by economist, public accountant, and auditor
Rene Arturo Orellana Gonzalez]

[Text] Guatemala is a minimally developed country (PMD) located in the zone which includes some of the poorest or least industrialized nations on the earth. It lies between the Tropics of Cancer and Capricorn. In 1990, a gross domestic product (GDP) of 3.403 billion quetzales (at constant 1958 prices) was reported, with a per capita average of 369.89 quetzales, the equivalent of \$74. The rate of increase was 3.5 percent, barely exceeding the population increase of 3 percent per year.

As economic development is not an end, but a means for achieving a better standard of living for the citizens in general, one should not consider the GDP figures alone, but also how income is distributed among the various population groups. This is a polemic issue in economic, social, and political life, especially in developing countries where acute concentration—not a cause but a consequence of the limited development achieved—can be observed.

To analyze the income distribution in Guatemala, the sociodemographic survey carried out in 1989 by the National Statistics Institute (INE) was used. Its data, while not entirely methodologically suited to this purpose, do indeed give an acceptable approximation of the profile of the situation.

In order to understand this data properly, one must bear in mind that the Guatemalan economy is characterized by a dichotomy. On the one hand, there is the dynamic, modern, or formal economic sector, which is limited in

size but accounts for a significant portion of the overall income; and on the other hand, there is the traditional or informal sector, which is the larger, but accounts for a small proportion of the income. In addition, the inverse correlation seen in the country between family income and the high volume of manpower devoted to agricultural activities and the predominance of craft and factory workers must be taken into account.

In 1989, there were 5.8 million individuals 10 years of age or older, and thus for all practical purposes regarded as of working age (PET), in the country. Of these, 2.9 million, or half, were included in the economically active population (EAP), while the rest were included in the inactive population (PEI).

The average family income in 1989 provided by the heads of households and secondary supporters, for the EAP and PEI taken together, was estimated at 420.19 quetzales per month per wage earner. This is the sum which would have been earned by the family groups if total income had been distributed equally.

The income average of 239.48 quetzales per month indicated that half of the population earned income less than this amount, while the other half earned larger amounts.

The modal income, or that obtained by the majority of families, was 137.42 quetzales per month, which is equivalent only to 25.7 percent of the cost of the minimum food basket for a typical household of five members in an urban area, calculated at the prices prevailing in 1989 at 535 quetzales per month, or 44.2 percent for a household in the rural sector, with a cost of 311 quetzales per month.

This same income, in turn, sufficed to cover the cost of only 10.7 percent of the total basic basket of goods plus services for the urban area, estimated at 281 quetzales, and 28.3 percent of that in the rural sector, with a cost of 486 quetzales per month. This package includes, in addition to food, items such as housing, clothing, health costs, furnishings, transportation, fuel, and others. Therefore it is calculated that at least 60 percent of the Guatemalan population was suffering from absolute poverty (indigence) in 1989, lacking the ability to purchase even the basic foodstuffs for the family diet.

Of this population, 58 percent had an income amounting to less than 300 quetzales per month, while only 8.3 percent earned an income of 1,000 quetzales or more.

The inadequacy of the family incomes of those in the EAP and PEI categories, regarded overall, provides a dramatic revelation of another aspect of our socioeconomic underdevelopment, one which is being aggravated with every passing day by the merciless crisis from which we are suffering and the decline in the purchasing power of the quetzal. In addition, the low productivity and low educational level typical of the population in general have their effect on the predominance of extremely low

incomes, as compared to the high cost of living, which during the last year alone saw an increase of 60 percent.

Apart from inadequate incomes, there is the phenomenon of high concentration, because some 50 percent of the population earned only 14 percent of the income generated in 1989, while the remaining 86 percent of the income went to the other 50 percent. This situation is illustrated by the appended chart [not reproduced], on which the diagonal (line of equidistribution) shows the situation which would exist if income were equally distributed. The concentration curve shows the real situation which exists in the Republic. The shadowed area, included between the line of equidistribution and the curve, gives an objective picture of the unequal distribution situation in 1989.

On this level of analysis, the economically active population (EAP), or labor force, should be considered separately. It was made up of the 2.9 million persons who were working or formally seeking work in 1989, including employers, self-employed workers, private and public employees, and family workers.

In 1989, 54 percent of this group earned family a income of less than 300 quetzales per month, while 10.5 percent earned 1,000 quetzales or more.

The average family income was 474.83 quetzales, and the median was 270.64 quetzales per month. The modal income which was most common or frequent proved to be 126.01 quetzales, which was not enough to cover the cost of food, much less the minimum living costs mentioned above. This group included the extremely low-income sectors of the underemployed (part-time work) population, equivalent to 63 percent of the total EAP. These figures reveal the substantial inequalities existing in the income earned, a distortion which becomes more acute if the occupational category or classification of the citizens in question is taken into account.

Also revealed here is the phenomenon of concentration, since 50 percent of the EAP earned 11 percent of the global family income, while the other 50 percent received the remaining 89 percent.

The situation was no different within the inactive population (PEI), in other words the individuals who without productive employment, were not seeking work, such as students, housewives, retired and pensioned individuals, those living on investments, the disabled, and others.

The average and median incomes per wage earner were lower than those indicated for the EAP, with figures of 353.91 and 209.78 quetzales per month. The modal income proved higher, with a figure of 131.19 quetzales, an amount which fell short of the cost of food and the basic goods and services basket.

The level of income concentration for the PEI was higher than that for the EAP, since 50 percent of the population earned 9 percent of the income, while the remaining 91 percent went to the other 50 percent.

For greater detail, see the table below.

Guatemala: Distribution of Monthly Family Income in 1989

Income (quetzales per month)	Thousands of Individuals	Thousands %	Thousands of Individuals	%	Individuals	%
49	644	11.4	267	9.2	397	13.5
50-119	939	16.1	4323	15.0	506	17.3
120-199	982	16.8	460	15.8	522	17.9
200-299	830	14.2	405	14.0	425	14.5
300-399	610	10.5	307	10.6	303	10.3
400-599	704	12.1	371	12.8	332	11.3
600-999	617	10.6	351	12.1	265	9.0
1,000-1,999	350	6.0	217	7.8	133	4.5
2,000 or more	135	2.3	86	3.0	50	1.7
Total	5,831	100.0	2,897	100.0	2,933	100.0

Source: Drafted, using its own data from the 1989 Sociodemographic Survey, by the National Statistics Institute.

The above data confirm the extreme inequalities in the distribution of family income in Guatemala, while its population must daily deal with an increasingly expensive basic basket, with income insufficient to ensure a minimally balanced diet.

Given this situation, we must ask ourselves to what degree the cold reality revealed by the information above is just or unjust.

From the economic point of view, 100-percent egalitarian distribution is not acceptable, since this would characterize a state incompatible with the dynamics of economics, a stationary society in which there would be no savings or investments. Since given a dynamic economy, it is inevitable that there will not be equal distribution of income, then it would be well, in the Guatemalan case as in many other countries, to establish, for reasons of social justice, up to what point this situation would be tolerable, always assuming compatibility with human development, which we are far from having achieved. From another point of view, it would be undesirable to continue promoting distribution which is so unequal that it would, in the long run, put a brake on economic development, perpetuate stagnation, or prevent growth equal to the real potential for national expansion.

Honduras

Public Workers Continue Strike; Troops Deployed

PA1004224591 Hamburg DPA in Spanish 1955 GMT 10 Apr 91

[Text] Tegucigalpa, 10 Apr (DPA)—A strike by thousands of workers, mostly from the government sector, continued in Honduras at noon on 10 April, while the Armed Forces dispatched two battalions to Tegucigalpa.

General Luis Alonso Discua Elvir, commander of the Armed Forces, told a radio station this morning that the two battalions deployed to Tegucigalpa are to help the municipal authorities with garbage collection and the prevention of epidemics, particularly the much feared cholera.

Meanwhile, the leadership of the Central Federation of Unions of Free Honduran Workers (Fecesitih) charged that approximately 500 policemen wounded three persons in the process of evicting striking workers from the Communications Ministry.

Gen. Discua Elvir confirmed that the police action has taken place and explained that the police intend to assure free movement of people and traffic in the vicinity of the ministry.

Providing that the labor leaders do not call off the strike, the government of President Rafael Leonardo Callejas has announced plans to declare the strike illegal and to withdraw the labor organization's legal status. The strike, which has been in effect for two consecutive days, particularly affects the health sector. Several hospitals are paralyzed. Patients are being cared for by central government unions and municipal workers. Private sector employees have only offered moral and financial support for the strike.

The strikers demand wage increases totaling \$8 million. The government has proposed a more modest wage increase, promised to guarantee that workers will not be fired, and offered to halt the public corporations' privatization program.

President Deems Strike Call 'Irresponsible'

PA1004180191 Tegucigalpa LA TRIBUNA in Spanish 10 Apr 91 p 8

[Text] President Rafael Leonardo Callejas has described as "irresponsible" the strike declaration by the Central

Federation of Unions of Free Honduran Workers (Fecesitlih), adding that he is willing to continue talking with the federation's leaders provided they lift the strike.

He said he was surprised over the union leaders' decision inasmuch as they were holding negotiations and six of the eight points they proposed have been favorably solved.

"One of them is not for the Presidency of the Republic to solve but for the Office of the Municipal Mayor, while the other is related to the economic reorganization program," Callejas pointed out.

"We were very much surprised that immediately after we delivered the government reply, Fecesitlih called a strike."

Likewise, he said that the Fecesitlih leadership rejected the participation of Finance Minister Benjamin Villanueva and Labor Minister Rodolfo Rosales Abella to offer explanations in the federation's assembly.

"Therefore, we feel that some of the leaders have no desire to solve the problem, and the government reiterates its willingness to provide public employees with a salary increase, a bonus for those earning less than 500 lempiras, and to find solutions."

He urged the union leaders "not to continue walking down the wrong path," and "to suspend the strike that they themselves know is neither legal nor just."

When consulted about the deadline for implementing the sanctions mentioned in the official communique, he said this remains "at the discretion of the government."

More important than being politically eroded by the adopted measures or a lack of popularity, he said that "it is our responsibility that laws and the stability of the country be respected. If we had not been holding dialogues with Andeph [National Association of Honduran Public Employees] and Fecesitlih, I would say there was a justification for calling the strike."

He emphasized that his responsibility as president of the Republic "is to guarantee the stability of the country and free access to state services by all citizens. To that effect, we are willing to apply the law according to what is rightly applicable."

Callejas wondered what exactly Fecesitlih is after, because "they obtained a salary increase and an answer to modify the Health Code; they can appoint a member to the commission, and everything else. What is the sense of them having the government favorably solve the issue, if the workers answer with a strike? I think this is very inappropriate, untimely, and unjust."

The president feels that in all of this "there is a high sense of irresponsibility, and, as a consequence, the government hopes that other labor units will analyze the origin of this strike situation and that their leaders will

not engage in wrong stands, as is now being done in a very irresponsible manner."

He said he was notified by Armed Forces Chief General Luis Alonso Discua of the union leaders' plans to start negotiations through the military.

He reiterated, however, that "the stand of the government, including the Armed Forces, is that as long as there is a strike, we cannot begin negotiating irregular situations caused by the trade unions."

'People's Organization' Protests Powell's Visit

PA/104015691 San Pedro Sula TIEMPO in Spanish 9 Apr 91 p 4

[Text] Tegucigalpa—The People's Organization held a demonstration on 8 April near the presidential palace to protest the presence of General Colin L. Powell, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces, whom they described as a war envoy in Central America.

The People's Organization Coordinating Committee (CCOP) [Comite Coordinador de Organizaciones Populares] and the Committee of Women for Peace "Visitation Padilla" [Comite de Mujeres por la Paz "Visitation Padilla"] coordinated the protest, which took place while Powell was meeting with President Rafael Callejas at the Government House.

The demonstrators chanted, "Those who led the slaughter of the people are not welcome in Honduras," referring to the last "great maneuver" carried out by the military command of the allied troops in the Persian Gulf, according to the North Americans.

CCOP coordinator Juan Almandares said: "Powell must understand that he is not welcome in Honduras; he must tell U.S. President Bush that the military spending is devastating the Honduran people and that we do not want Honduras to become a U.S. military objective."

Almandares said that Honduras is being used by the Americans to conduct all sorts of experiments. "They send us insecticides and medicine that has expired or is no longer used in that country."

The popular organizations once again called for an end to the joint military maneuvers by the Honduran and U.S. Armies and the closure of the Palmerola military base in Comayagua.

"Why should we want military maneuvers; the children cannot eat military maneuvers," the demonstrators shouted.

They also took advantage of the occasion to once again protest against the economic measures "that have submerged the people in the deepest economic crisis ever."

Almandares said: "The people are angry because the prices of food, medicine, and clothes have been raised excessively; because there is no water and medicine.

because Honduras is being destroyed; and because over 10,000 government employees have been threatened with dismissal."

"I cannot understand how the government has failed to understand the people's feelings," he added.

It is impossible, he said, to call for a reduction of public spending that will only affect the poor people's stomachs, while individuals who are close to the president are becoming millionaires at the people's expense.

Almendares announced that on 19 April the popular organizations will take to the streets to protest against the cost of living, to once again request a broad and unconditional amnesty for political prisoners, and to request a salary increase.

Panama

Endara Names Envoy to U.S.; Resignations Noted

PA1004155891 Panama City LA PRENSA in Spanish
10 Apr 91 p 1A

[Article by Manuel Alvarez Cedenio]

[Text] Eduardo Vallarino, Panamanian ambassador to Washington and member of the Christian Democratic Party [PDC], yesterday resigned his post after describing as "premature and irresponsible" the breaking of the alliance that had struggled against deposed General Manuel Noriega.

LA PRENSA talked last night with Vallarino, who said that "the Panamanian democratic system will be strengthened in the long run." It was unofficially learned last night that Vallarino will be replaced by Jaime Ford Boyd, while the Arnulfist Jorge Pacifico Adames will become Panama's ambassador to Spain.

One day after expelling the five PDC ministers from his cabinet, President Guillermo Endara continued naming other appointees.

Radio commentator Omaira Correa was chosen Panama City mayor, replacing Guillermo Cochez. Lawyer Gonzalo Menendez Franco was appointed National Police director, replacing Ebrahim Asvat.

Last night, the Legislative Assembly secretary general read the resignation letter of Solicitor General Aura Feraud. She had filled this position in early 1990.

In a letter addressed to Assembly President Guillermo Fernandez, Feraud said that if a replacement is not immediately appointed, the two alternates, Horacio Alfaro and Janina Small, will fulfill the duties of the post.

Likewise, the deputy director of the Price Control Office, Rogelio Toppin, resigned, citing problems of "discipline" and "political convictions."

It was also unofficially learned that Gonzalo Cordoba will be the director general of IRHE [Institute of Hydraulic Resources and Electrification] and Ceferino Quintero will be the mayor of La Chorrera.

Edwin Cabrera, director of the Media Directorate of the Government Ministry, resigned as well.

Other changes are expected to take place within the next few hours.

Civic Crusade Regrets Dissolution of Alliance

PA1004170391 Panama City CRITICA LIBRE
in Spanish 10 Apr 91 pp 20, 26

[Communique issued by the National Civic Crusade in Panama City; date not given]

[Text] We were saddened by the presidential decision to end an alliance of parties that had joined efforts with us and managed to replace the tyranny that destroyed the moral and economic wealth of our fatherland over a period of two decades.

As was the case during the difficult times of this struggle, on this occasion the CCN [National Civic Crusade] contributed its best efforts to maintaining the unity of, and to act as a conciliator for, the political groups comprising ADOC [Civic Democratic Opposition Alliance]. Those are essential conditions needed in the drafting and implementation of plans used to solve the numerous and acute problems facing the Panamanians. Unfortunately, partisan political interests were stronger than national interests; our mediation was rejected and despised, and as a result the alliance was broken.

We are currently facing the same uncertain situation we did on 21 December 1989. It is unforgivable that the last 15 months, which should have been the country's most important phase to rebuild the fatherland since its incorporation into the community of nations, were condemned to serve the interests of others.

As we stated when we announced our reorganization, the CCN is a movement that advocates a position and not just an opposition movement. As such, we hope that the restructured government, now that the alleged obstacle posed by the departing component has been removed, will soon announce and implement plans for solving the most urgent problems facing our compatriots. These issues are:

Applying the force of law on the fatherland's predators;
Economic development in order to create swiftly create new jobs;
A trustworthy, efficient, and dignified police force;
Saving the Social Security Institute without neglecting the health of the neediest sectors of society;
Redemption of our sovereignty and full independence;
Proper and respectful attitude of leaders toward the people.

We will vigorously denounce and oppose any display of inefficiency or failure to honor promises that deserved the voters' support on 7 May 1989. This will serve as a corollary to our frontal struggle against the forces of evil that are still alive and waiting for an opportunity to once again violate the nation's majesty. To them we swear that we will never allow their return.

National Civic Crusade

Alberto B. Conte

Coordinator

Alliance With PRD Rejected

PA1004204891 Panama City EL PANAMA AMERICANO in Spanish 10 Apr 91 p 1

[Report by Julia Elena Alvear]

[Text] Civic Crusade Leader Alberto Conte has noted "the possibility that the government headed by Guillermo Endara may neglect the people."

In that regard, the Civic Crusade has initiated a new phase for membership registration so that all citizens can participate in that movement.

Conte noted that the Civic Crusade recently opened chapters in the interior of the country, whose mission will be to strengthen the rank-and-file levels, and then proceed to hold nationwide elections and select the cadres that will direct each one of the chapters.

Conte also said that the Civic Crusade will reject any type of alliance between the ruling parties and the Democratic Revolutionary Party [PRD] to remain in power.

"The Civic Crusade will not hesitate to oppose the government and use its resources to prevent an action that would be considered a political scandal and could be seen as disrespect for the people's struggle against tyranny," Conte stressed.

Conte added that the rupture of the government alliance is "regrettable," noting that this shows that political interests prevailed over the homeland's interests.

When asked if the exclusion of the Christian Democratic Party from the government would solve the crisis in the country, Conte said that "if that was the (negative) factor, President Endara and his new government team will have no excuses in finding immediate solutions for the problems; otherwise, it will show that it was just chitchat."

Christian Democrats Issue Statement on Breakup

PA1004194291 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Apr 91 pp 11, 12, B10

["Statement" issued by the Christian Democratic Party Political Commission "in view of the break up of the Civic Democratic Opposition Alliance," in Panama City on 9 April]

[Text] 1. President Endara has broken the Civic Democratic Opposition Alliance [ADOC].

By this action he destroyed the alliance through which, during the last decade, the Panamanian people led their struggle against the dictatorship and for democracy in the broadest and deepest civic-political movement in our country's modern history.

By this action he betrayed the political and moral commitment made to the Panamanian people on 7 May 1989, when the alliance was selected to govern, and within that alliance, the Christian Democratic Party [PDC] was chosen by an overwhelming majority.

With this action he put an end to the ADOC government because by excluding the Christian Democrats, the president rejected the support of the 28 legislators of the green star [PDC party symbol], preferring to seek the support of former followers of dictator Noriega in an obvious exchange of favors.

2. Since the 4-5 December 1990 coup attempt, the Endara government has become politically bogged down and the president has not shown any ability to overcome the unfolding crisis of the alliance.

In the wake of this coup attempt, President Endara promised to undertake "rectifications" in his government, but he did not make any in the political and economic sectors or in the area of public morality.

In view of the president's inability to do this, the PDC, at the end of December, openly proposed that the alliance needed to be strengthened through practical and realistic agreements in seven areas of the government's work: economic policy, a balance between financial and social aspects in implementing the budget, public security, effectiveness of justice, foreign relations, coordination among the alliance legislators and between the alliance legislators and the executive branch, and communication between the government and the people. Only the National Civic Crusade [CCN] responded positively, while the other parties in the alliance remained silent about our rectifying proposal.

In the culminating moments of the political crisis, the CCN made an effort to prevent the crisis. The PDC at all times backed that effort. The president sabotaged it with repeatedly hostile remarks.

Nevertheless, on Saturday, 6 April, despite having disqualified in writing the CCN coordinator, the Arnulfist Party formally agreed that the alliance needed to be

saved. With noticeable duplicity, that same afternoon the president began offering the ministries held by Christian Democrats to various individuals.

Mr. Carlos Rodriguez' [1984 vice presidential candidate] visit to the country, at the invitation of the president, could not prevent the rupture of the alliance. Mr. Rodriguez himself told the PDC president that when he met for the first time with President Endara on the morning of Saturday, 6 April, he found him already clearly leaning toward the expulsion of the PDC from the government.

President Endara's expulsion of the Christian Democrats from the government was announced to those affected over television, without any courtesy and following the methods used by the narco-dictatorship.

3. There are three reasons for the rupture of the alliance by the president: desire for bureaucratic positions, arbitrary actions by the comptroller general, and political paranoia.

The internal disputes within the Arnulfist Party, now being formed, and President Endara's possible loss of leadership in the party intensified the Arnulfist demands for greater political opportunities to make bureaucratic appointments. These demands were encouraged by other minority partners of the alliance and by former professional associates of the president. Another party which could have prevented the rupture or have served as mediator opted for inaction, as one of its leaders admitted in an article published by EL PANAMA AMERICA on Saturday, 6 April. As a result, the new cabinet will represent a mere redistribution of the posts among three parties and does not include a single independent minister.

The comptroller general did everything he could to promote the breaking up of the alliance because the PDC was opposed to the systematic abuse of his duties. He has constantly imposed himself, not as a supervisor, but as a co-administrator of the entire executive branch. He has become the real power behind the formal power of the president just as it was in times of the dictatorship, which ruled from Avenue A. Instead of faithfully and fully complying with the budget law, the comptroller decides himself what is spent and what is not spent. He favors paying off the financial debt without balancing it out by paying off the social debt, and he uses his payment decisions as an instrument of political struggle against those who disagree with him. He even proposed that the president appoint a presidential delegate who would supervise the country's entire national and international economic policy and who would prevail over ministers and directors of decentralized institutions, in violation of the Constitution. As a result, the comptroller general is making use of personnel from the Directorate for the Recovery of State Property (DRP) as an instrument for political persecution; the DRP has now appointed one of its members as National Police

director, the same person the comptroller tried to appoint as PTJ [Judicial Technical Police] director.

In May 1990, some Arnulfist Party members made accusations against the first vice president. The accusations have now resumed with charges of imaginary coups d'etat, imaginary arms imports, and imaginary telephone tapping by the PDC. This reminds us of similar accusations made against us during the narco-dictatorship. The incredible thing about it is that those who make those charges either have no legal authority to make them or do not present any serious evidence and do not level charges against the imaginary offenders. In some cases it is a matter of a pathological lack of trust due to the insecurity of no longer being the first political force, and in other cases it is a smoke curtain to cover up their shady actions. Hence, there is no sense of decency, our country is even more discredited, and the people fear a return of the old forms of persecution.

4. The consequences of breaking up the alliance by President Endara are very serious for our country, both nationally and internationally.

A government legislatively dependent on Noriega's former followers further weakens the possibilities of responding to the demands for justice made by the Panamanian people. A government already stripped of the support of the majority of public opinion and of democratic political forces weakens its ability to build a constitutional democracy; thus, it will be tempted to take arbitrary measures, which in the minds of some extremists could even lead to the closing of the Legislative Assembly.

An increasingly discredited government with an ill-advised presidential leadership will not be able to promote the social and economic changes necessary to respond to the challenge of high unemployment and to the accumulated social needs, including health, education, roads, water, and utility services.

A government that has betrayed the electoral mandate of 7 May 1989 and betrayed the civic movement, which brought it to power, is everyday losing the little international support that it had managed to attain; this will make the task of reconstruction even more difficult.

5. After being excluded from government by President Endara, the PDC assumed the democratic and civic leadership of the opposition to his government.

We had already noted that we would continue our struggle and our work to build democracy in Panama and to provide a better life for our people, preferably from the government, but if necessary, from the opposition. Our opposition will be very firm, and we will critically examine all the government's actions.

Our opposition will be serious, and it will keep our country's interests above mere personal appetites and above simple party concerns.

Our opposition shall be civil and peaceful; we will firmly respect constitutional democracy and defend it at all costs.

Our opposition is based on several basic guidelines:

We shall demand that the budget not only be complied with but that there should be a balance between the financial and the social debt.

We shall demand changes in the justice system—including the Attorney General—so that we can be assured that the administration of justice is devoid of political or other influences.

We shall demand punishment for and an end to any nepotism, influence peddling, or corruption.

We shall demand that any changes that need to be made to save the Social Security Fund should be progressive and compatible with the difficult living conditions of the insured, and that the national health system be equitably and functionally regulated.

We shall demand that privatizations not lead to the complete collapse of our economy or generate excessive concentration of wealth, or even monopolies that may inhibit competition within a market economy.

We shall demand that all public security systems maintain a policy of demilitarization, be kept away from politics, and maintain professionalism in accordance with constitutional reforms and the corresponding laws.

We shall demand job stability for civil servants, especially through the approval of a civil service career law.

6. Our commitment:

After 15 months of hard government work, the PDC is proud to have rescued from the ruins the institutions under our responsibility. We did so despite the obstacles that were systematically placed in our path, especially by the Comptroller General. We did so despite the human and political costs we paid for having taken first line positions in public and social services and the momentous job of demilitarizing the country while maintaining peace. More than ever, the Panamanian people know that the PDC did in fact work for their benefit.

We are convinced that from now on those who blocked us will supply the funds to the officials who replaced the PDC officials, and thus pretend that we were the problem. If this benefits the people, our change to the opposition will be so much more productive, especially because the people are not foolish and will not allow themselves to be deceived.

Contrary to other parties, the PDC did not emerge, was not registered and did not grow from a position of power; it knows the indispensable role that a true opposition plays in building a democracy. We are headed into the opposition full of spirit to build constitutional democracy and to channel the people's force so that the frustration

turns to hope and their claims are made public. We are going to be a vigorous but responsible opposition, combative but not demagogic, reasonable but incorruptible. We are going to give the Panamanian people the incentive and the voice not only to protest, but to participate in the building of a better life, with liberty, justice, and democracy.

Panama City 9 April 1991.

Endara Termed 'Potential Dictator'

PA1104042291 Panama City EL SIGLO in Spanish
10 Apr 91 p 34

[Article by Yali Enrique Pitti]

[Text] Legislator Gloria Moreno de Lopez has described President Guillermo Endara as a "potential dictator in civilian clothes." She added that the president has "invested a large sum of money to purchase heavy caliber weapons" and thus she fears there will be repression against the Christian Democratic Party [PDC].

According to the legislator, while Ricardo Arias Calderon was "demilitarizing" the country, at the Presidency they were "militarizing" the Institutional Protection Service [SPI]. Moreno de Lopez added that the chief of the executive branch has repeatedly said that "if he is removed, he will be carried out dead" from the Presidential Palace because he has "the weapons to face any Army."

Legislator Gloria Moreno de Lopez affirmed that it is dangerous for a president like Guillermo Endara, who came to power after a dictatorship, to have invested so much money in the purchase of weapons and to place all his trust in the SPI.

"I feel quite concerned because I believe that what is yet to come for this country could be unfortunate. We know how certain people who are close to the president behave. I have always expressed my concern about the Security Council headed by Menalco Solis and the activities of the SPI, both of which are full of new "Dignity Battalion members," the legislator said.

The legislator stressed that she would not be surprised if a relentless persecution is unleashed against PDC members. She added that her fellow PDC members are prepared because anything can happen as a result of the relationship between the Arnulfists and the members of the Democratic Revolutionary Party [PRD].

"We must remember that the president practically spoke of another alliance and that alliance is with the PRD, with people that are very close to him. This is why we shall remain alert and let the people know where [former Dignity Battalion commander] Benjamin Colamarco and [former PRD legislator] Rigoberto Paredes will be in a few days. PDC Legislator Gloria Moreno de Lopez pointed out.

PRD Issues Communique on Possible Alliances

PA1004202691 Panama City EL SIGLO in Spanish
10 Apr 91 p 10

[Communique issued by the Democratic Revolutionary Party in Panama City on 9 April]

[Text] The National Executive Committee (CEN) and the legislative bloc of the PRD [Democratic Revolutionary Party], in view of the outcome of the political crisis that affected the government under a guardianship and the political parties that have supported it and in view of statements by certain regime members on a possible alliance with our party, believe that we must state our position to our members and citizens in general:

The current government, including its past members, reached power by virtue of a genocidal invasion by the U.S. Army on 20 December 1989. They requested and supported that invasion. As a result, this means that they share in the responsibility for the thousands of Panamanians who are dead, crippled, injured, missing, or those who are now impoverished. This is incompatible with our party's line of thought and action and the Torrijist doctrine that we advocate.

The rupture of ADOC [Civic Democratic Opposition Alliance], provoked by the expulsion of the Christian Democratic Party [PDC] from the government, is nothing more than the logical result of a dispute over a political bounty. This has characterized the alliance since its establishment, because after 15 months of coalition it is evident that it lacks a coherent government plan that will take into account national interests and our people's social needs.

The PDC's departure from the government is also in keeping with a political plan of the protector U.S. Government that seeks to promote an opposition force loyal to its interests and support those who could promote a change of a government in our country in the near future, as they have told the international media.

It is true that with the expulsion of the PDC from the government, the new correlation of forces within the Legislative Assembly has turned the PRD bloc into a factor that could determine the approval of certain motions and bills on which the original ADOC members failed to reach a consensus. However, in a manifesto, PDC legislators stated clearly that this rupture has no bearing when pro-U.S. and pro-IMF interests, which conditioned ADOC's access to power, are at stake.

No one should doubt that our bloc at the Legislative Assembly will tip the balance in favor of Panama's best interests and our people's urgent needs, as it has been doing during the painful 15 months of occupation and protectorship.

The PRD reaffirms the nonnegotiable nature of the principles that should lead to the withdrawal of foreign troops from our country, reorganization of the national

state, end of political persecution, freedom for all prisoners and political refugees, establishment of a government promoting true democracy, national sovereignty, economic development, and social justice for all Panamanians.

Issued in Panama City on 9 April 1991.

Gerardo Gonzalez V., president of the PRD

Alberto Aleman Boyd, president of the PRD legislative bloc.

Reconciliation Said Possible

PA1004161591 Panama City CRITICA LIBRE
in Spanish 10 Apr 91 p 2

[Report by Arnulfo Mendoza]

[Text] "The longed for reconciliation among all Panamanians is possible with the Christian Democratic Party's [PDC] departure from the government," Ernesto Perez Balladares, secretary general of the Democratic Revolutionary Party (PRD), has disclosed to the press.

Perez Balladares stressed that President Guillermo Endara has been unable to keep his promise of attaining the reconciliation of the Panamanians due to the arrogance and the persecution carried out by the PDC, especially Ricardo Arias Calderon, the former government and justice minister.

"We think the government now has the opportunity to give the country peace and calm, with clear rules of the game," Perez Balladares emphasized, insisting that "the hunger and the persecution against many fellow countrymen must stop because the situation in the poor neighborhoods has gotten worse."

Perez Balladares said he hopes the new Arnulfist government will be able to create the conditions that will permit a normal political development in the country.

The politician denied any possibility of an alliance with the government parties because the conditions for such an alliance do not exist at this time, but he promised the Panamanians that any bill that seeks to solve the people's problems will have the support of the PRD, regardless of who sponsors the bill.

He also said the PRD will support President Endara's position of respecting what was agreed upon in the Torrijos-Carter Canal Treaty.

The high-ranking leader of the PRD National Executive Committee said he hopes corrective measures will be issued with regard to the political prisoners. He said: "It cannot be that 15 months after a bloody invasion, people who have not been tried or convicted continue in jail. This has to be solved before any formal talks for a possible alliance can begin."

Will Oppose Base Renegotiation

PA1004194391 Panama City Circuito RPC Television
in Spanish 1735 GMT 10 Apr 91

[Text] In a communique issued in Panama City, the Democratic Revolutionary Party, PRD, said that in the Legislative Assembly it will oppose the renegotiation of the U.S. military presence, the Mutual Legal Assistance Treaty, and an agreement for U.S. and Panamanian joint patrolling of Panamanian waters to prevent drug trafficking.

The PRD said that those pacts will make Panama a legal colony [colonia juridica], therefore, the party disapproves of them.

Liberal Party President Backs Endara Government

PA1104042491 Panama City Circuito RPC Television
in Spanish 2324 GMT 10 Apr 91

[Text] Liberal Party President Roderick Esquivel has said that he backs President Guillermo Endara's democratic government because, regardless of whether the government is good or bad, it gives the Liberal Party a chance to participate in the country's political activities.

[Begin Esquivel recording] He not only can but must govern. For him to do it right and attain all he has intended is something else again. He can and should govern the country with or without the Christian Democratic Party [PDC].

The first thing that the PDC mentioned was the Prosecutor General's Office, but this is not an indication of opposition. It sounds more like spite because it was with the PDC vote that the prosecutor general was designated to begin with. Good or bad, unless he is a criminal, he should stay in office for the good of the institution and to preserve the idea of the stability of the prosecutor general's post. If we remove a public official every time he does something we do not like, we will end up in confusion. If we want to blot out the idea of the institutions' being thrashed about by the military as a matter of habit by removing the prosecutor or the president because they did not do what the military wanted, we must act differently. Good or bad, the prosecutor general should remain in office until his term expires. If we do not like what he does, we can always replace him when we have another opportunity, which we all have.

We are not in the government. We do not oppose Endara's government. Quite the opposite, we are helping him govern. We give him advice even though he has not asked for it. When he is attacked, we resist those who are trying to destabilize the government. Why? Because this is a transition government and because, if President Endara fails to establish democracy in Panama, my party, although it is not in the government, will suffer the consequences. [end recording]

Endara Meets Colin Powell; No Details Disclosed

PA1004172791 Panama City LA PRENSA in Spanish
10 Apr 91 p 1A

[Article by Manuel Alvarez Cedenio]

[Text] President Guillermo Endara and General Colin Powell, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces, met yesterday at the Palace of the Herons [presidential palace]. The content of their conversation was not disclosed.

A local radio station reported yesterday that the meeting lasted a brief 30 minutes and started at approximately 0700, one hour prior to the new cabinet meeting.

Although the Presidency of the Republic has not issued any statements to this effect, generally well-informed sources said that the departure of the Southern Command from Panama might have been discussed.

The U.S. Army has some 10,000 troops stationed around the banks of the Panama Canal and on nine defense sites, including sophisticated electronic espionage equipment on Galeta Island, at the Atlantic entrance to the waterway.

The U.S. general talked with Endara hours before concluding his three-day visit through Central America, where he met with political and military leaders of the region.

Powell formulated the plans for the U.S. invasion of Panama that culminated with the removal and arrest of General Manuel Noriega, who is awaiting trial in Miami on narcotics trafficking and money laundering charges.

Up to now, President Endara's government has reiterated that there are no plans for renegotiating the U.S. military bases, which, according to the Torrijos-Carter treaties, are scheduled to be dismantled by the year 2000.

Column Reviews Money Laundering, Drug Charges

PA10904184491 Panama City EL PANAMA AMERICA
in Spanish 9 Apr 91 p 2A

["Hidden Truths" column by Tomas A. Cabal: "The Torres Case"]

[Text] Amidst the political commotion that is eating away at the Panamanian nation, the accusation made by Gerardo Gonzalez, legislator and president of the Democratic Revolutionary Party [PRD], has lost its importance. According to Gonzalez, U.S. DEA agent Ivette Torres identified a series of Panamanian companies connected with drug trafficking and money laundering. Hernan Delgado, president of the Movement of Unionized Lawyers [MAG], is among the directors of the aforementioned companies. The law firm of the president of the Republic is indirectly related to these companies.

The interesting thing to note is the way in which Legislator Gonzalez obtained a copy of the document in question, a copy of an affidavit given by DEA agent Torres.

The president of the Republic has said, in a news conference, that he and his law firm had fully cooperated with the investigation that the DEA is conducting in the United States. He added that the reports given to the DEA were secretly and confidentially delivered. The president hinted, in his news conference, that the document could only have been leaked by the U.S. Embassy in Panama or the DEA. The U.S. Embassy moved swiftly in denying any responsibility in this matter by stating that no embassy official (including the DEA) had leaked the information. The communique issued by the U.S. Embassy stressed that these leaks may hinder the criminal investigations that are currently taking place in the United States. The U.S. Embassy also emphasized the "cooperation" given by attorney Hernan Delgado regarding the activities of two individuals identified as Falcon and Magluta. According to the DEA, Falcon and Magluta have been laundering large sums of U.S. cocaine profits.

Reports gathered by our sources indicate that the copy of the Torres report was obtained at the Attorney General's Office, where the file of the Falcon-Magluta investigation is kept. According to the information collected, agent Torres delivered an affidavit as part of the criminal investigation that the DEA filed before the Attorney General's Office. Just as in the case of the Interoceanico Bank, the DEA presented the reports and evidence necessary to obtain confidential information to freeze bank accounts allegedly belonging to the Falcon-Magluta criminal organization.

According to a prominent member of the National Bar Association, this in itself is very worrying because an agency of a foreign government is gaining access to confidential documents and reports as a result of a foreign investigation and not due to a measure by the judiciary or Panama's Attorney General's Office. The lawyer told us that, during this process, the principle of presumption of innocence of the accused does not prevent bank accounts from being frozen, or the adoption of precautionary measures even without evidence that Panamanian law has been violated.

U.S. officials in Miami, Florida, have told us that Panamanian authorities rarely ever investigate matters related to money laundering. They stated that, despite the fact that the DEA presented specific reports on accounts and business of a criminal organization led by Colombian Rodriguez Gacha in the case of the Interoceanico Bank, the Drug Secretariat of the Attorney General's Office issued a certificate stating that the bank was not currently an object of any investigation by that office.

For the U.S. officials, this is the heart of the matter. In the case of the Interoceanico Bank, the U.S. Embassy

handed the DEA documents over to a local medium. According to our sources, the information in the Torres case was leaked from the Attorney General's Office. The law firm of President Endara appears involved in both cases. This situation is very serious, given the speculation surrounding such sensitive issues as drug trafficking and money laundering.

We hope that after the signing of the Mutual Legal Assistance Agreement, we can find more effective ways of investigating matters related to drug trafficking and money laundering in Panama, without causing political conflicts. These conflicts complicate the efficient functioning of President Endara's administration. It is inconceivable that every time that DEA officials investigate criminal activities in the United States, conflicts and political instability—which adversely affect our international image—take place in Panama.

We believe that there are diplomatic means that can be used by the United States to achieve positive results in the struggle that it is waging against drug trafficking and money laundering, without affecting the reputation of high-ranking figures of our current government. We are confident that, with the cooperation of U.S. Ambassador Deane Hinton, all matters between Panama and the United States, including such sensitive issue as international drug trafficking, can be successfully resolved. This can be accomplished as long as the Attorney General's Office fulfills its duty to investigate and punish those responsible for handling this criminal business.

Former PTJ Employee To Be Prosecuted in U.S.

PA1104044791 Panama City EL DIARIO

INDEPENDIENTE in Spanish 10 Apr 91 p 23

[Report by Andres Davila]

[Text] A ranking Judicial Technical Police [PTJ] employee will be prosecuted on drug trafficking charges in a U.S. federal court, a DEA agent has told EL DIARIO INDEPENDIENTE.

The agent, who works undercover and is involved in the much-talked-about "Noriega case," did not disclose his identity because certain politicians' interests have made it rather difficult to pursue the lawsuit filed by the DEA.

Our source was able to tell us in advance that the prosecution order on drug trafficking charges is against Renato Famiglietti, formerly the assistant director of the PTJ. His complicity is suspected in several cases of drug distribution and transfer.

As a preventive measure, [the authorities] have seized Famiglietti's penthouse in the luxurious Punta Paitilla residential neighborhood, as well as other possessions of doubtful origin that could have resulted from his illicit drug dealings, our source reported.

"Famiglietti's arrest and due process have been plagued by a certain 'sponsorship' by politicians who have attempted to conceal facts which, obviously, cannot be ignored," our source said.

Renato Famiglietti is a well-known figure from the era of the dictatorship, when he worked for the defunct intelligence service, G-2, which came to public attention when the dictatorship's era of repression peaked. Famiglietti played a key role in inflicting blows on the "Civic Crusade." In one specific case, civic crusader Aurelio Barria was savagely tortured and abused at the former Balboa headquarters, and was then taken by Famiglietti himself—handcuffed and blindfolded—to Tocumen Airport and exile.

From another point of view, some observers agree that the Mutual Legal Assistance Treaty has not been signed by the Panamanian side because its main point is an extradition agreement for every citizen involved in drug trafficking, "and there are certain people who would be immediately transferred once the treaty is signed," the agent said.

To conclude, the source said that there is a certain "narco-bourgeoisie" who could say a lot about drug trafficking in Panama, but who have failed to do so because their statements would harm certain interests, the DEA agent said.

DEA Agent Reportedly Receiving Death Threats

PA1104144991 Panama City EL SIGLO in Spanish
11 Apr 91 p 10

[Report by Aneldo Arosemena]

[Text] Henchmen at the service of drug traffickers have issued death threats against Ivette Torres, a Panamanian agent of the Drug Enforcement Administration (DEA), because last week she reported that Panamanian companies and banks are involved in the laundering of drug money.

According to information obtained by this reporter from an official source linked to the Panamanian antinarcotics agencies, the residence of agent Torres, who works in the DEA, was searched by suspected members of a gang of drug traffickers under investigation. The drug

traffickers entered her apartment located in a luxurious condominium in the Punta Paitilla neighborhood on 8 April and left a note threatening to kill her.

The henchmen presumably belong to the organization headed by Cuban-North American drug traffickers Augusto Falcon and Salvador Magluta, who were the owners of at least six corporations which were registered in Panama and which served as a front for the laundering of drug money. Magluta and Falcon are fugitives from U.S. justice and it has not been ruled out that they could be in some Central American country or Panama.

On Friday, 4 April [date as published], unidentified individuals arrived at the door of the DEA agent's apartment and sprinkled a white powder, presumably cocaine, and left a number of 9 mm bullet shells, a clearly threatening action.

Ivette Torres, who has been working for the DEA for 10 years, is pregnant. In August 1990, she made a sworn statement before a Miami court which is hearing criminal charges against drug traffickers Magluta and Falcon. In the statement, the agent indicated that at least six banks that operate in our country and at least 21 corporations registered in Panama were used to launder drug money from the Falcon-Magluta connection.

The Spanish text of agent Torres' statement was made public by Gerardo Gonzalez, opposition legislator from the PRD [Democratic Revolutionary Party], since President Guillermo Endara was a former partner of the law firm which formed the corporations.

The day after Gonzalez' action, the U.S. Embassy issued a communique lamenting the leaking of the confidential information. Nevertheless, the communique did not state that diplomatic officials had met a week earlier with high-ranking PRD leaders.

The Magluta-Falcon gang is currently the object of a tenacious pursuit by the DEA agents with the cooperation of the Panamanian Attorney General's Office. Agents of the Special Antinarcotics Forces of the Judicial Technical Police have also established strict security measures around agent Torres to prevent any possible attack against her. Meanwhile the DEA is looking for members of the Falcon-Magluta gang who are presumably responsible for the actions against the Panamanian agent of the DEA.

Argentina

Military To Collect Antinarcotics Intelligence

PY1004191191 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1350 GMT 10 Apr 91

[Text] Buenos Aires, 10 Apr (NA)—After returning from Germany, President Carlos Menem will sign a decree creating the Federal Service Against the Drug Trade (Sefeconar) [Servicio Federal Contra el Narcotrafico], which will provide for Armed Forces participation in intelligence tasks in the fight against the illegal drug trade.

According to a high government source, military personnel will be charged with locating clandestine airfields using a sophisticated radar system, but they will not participate in "acts of repression" against drug traffickers. [Madrid EFE in Spanish at 1226 GMT on 10 April in a similar report adds: "Argentine Vice President Eduardo Duhalde announced today that military personnel will participate in intelligence tasks," such as the search for clandestine air fields used by drug traffickers."]

Sefeconar will be made up of 100 men, including police and security personnel specializing in the antidrug fight.

After creating Sefeconar, the Argentine Government will approve a national plan against illegal drug trade and will issue regulations to implement Law 23737 with regard to concrete actions the government will take to prevent the "laundering" of drug dollars.

The source said that two months ago the government decided to address once and for all and on every front a struggle against the drug trade. In this regard, he voiced concern over what could happen in Congress because the Defense Law prohibits the Armed Forces from becoming involved in domestic conflicts.

It has been reported that the military officers themselves have time and again rejected the possibility of getting involved in the antidrug fight.

Gonzalez: No Direct Military Role in Drug Fight

PY1004191291 Buenos Aires TELAM in Spanish
1654 GMT 10 Apr 91

[Text] Buenos Aires, 10 Apr (TELAM)—Defense Minister Antonio Erman Gonzalez today stated that "it is not the role of the Armed Forces to participate in the antidrug fight. The only thing they can do is use some equipment to give logistic support to the security forces."

Gonzalez noted that the military institutions "also face restrictions in intelligence efforts, because the law prohibits them from carrying out domestic intelligence activities."

Gonzalez made these remarks to reporters accredited to the Defense Ministry. He also denied reports of his possible departure from the Defense Ministry to become the new interior minister.

Cavallo Returns Home From 'Very Productive' Trip

PY1104235091 Buenos Aires TELAM in Spanish
1804 GMT 10 Apr 91

[Excerpts] Buenos Aires, 10 Apr (TELAM)—Economy Minister Domingo Cavallo has emphasized that in a liberal economy, like the Argentine economy and the predominate economy in Europe, the United States, and Japan, "investments are decided by private businessmen while government just creates an atmosphere of legal security and economic stability to allow profiting from opportunities." [passage omitted]

The economy minister made these remarks at the Ezeiza International Airport shortly after returning from Nagoya, Japan, where he attended the yearly Inter-American Development Bank (IDB) meeting, and from Germany, where he joined the delegation accompanying President Carlos Menem, who began an official visit to Germany Monday, 8 April. [passage omitted]

Cavallo also termed his trip "very productive" because it gave him the opportunity "to explain to the responsible people on the economic teams of the most important countries in the world—Japan, the United States, and Germany—what we are doing in Argentina."

In this regard, the minister emphasized that he had an opportunity "to emphasize the profound transformations that our country's economy is experiencing and the seriousness of the stabilization plan that is based on important budget adjustment in order to totally eliminate the fiscal deficit."

Cavallo also met with "high-ranking officials" from the IMF, the World Bank, and the IDB, which sponsored the meeting in Nagoya, Japan. He said: "The attitude of the IMF officials and of the governments, who actually are the ones that decide, is very positive."

Cavallo preferred not to supply details of the contributions that Argentina could receive because he understands that "the details of the negotiations will be supplied in due time." He said: "It is indeed important that Argentina—despite the fact that in the past it has not complied with the stand-by [preceding compound word in English] loans and there are already about five of these loans that have not been complied with—have a solid possibility for advancing in the negotiations, given the seriousness of the course set by the government of President Carlos Menem and the stabilization plan that is underway."

The economy minister also noted: "We are carrying out a profound reorganization of customs, the DGI [General Directorate of Taxation], and the organization collecting social security fees." He stressed: "If there is something

on which the government will concentrate its control ability, it will actually involve the collection of taxes, customs duties, and social security fees."

With respect to customs, the economy minister said: "We are analyzing the situation to have the utmost assurance that goods or things associated with illegal activities are not introduced into our country. We believe that a great simplification of the procedures involving exports and imports of legal goods will allow us to secure a larger amount of available revenues in order to achieve a control that keeps illegal goods from being introduced across our borders."

The economy minister also admitted that "for a long time we have been talking to other countries about carrying out joint action" to prevent the laundering of money from drug trafficking activities.

Cavallo added: "The mechanisms to prevent the laundering of narcodollars involve monitoring specific transactions by banks, institutions, and persons. To this effect, there are procedures that have not been totally adjusted so far, but talks are being held among various countries in the world that are seriously concerned about this problem."

Germany To Finance Construction of Nuclear Plants

PY1004195791 Madrid EFE in Spanish 1006 GMT 10 Apr 91

[Text] Bonn, 10 Apr (EFE)—A spokesman for the German consortium Siemens today confirmed to EFE that the projects to finance final construction of the Atucha-2 nuclear plant and modernization of the Atucha-1 nuclear plant have almost been completed.

The consortium has obtained a "Hermes credit" totaling 200 million Deutsche marks (about \$120 million), of which 50 percent was guaranteed by the state [not further specified] to finance Argentina's contribution to end construction of the Atucha-2 nuclear plant. This credit was granted under the condition that Argentina will include a similar amount in its budget for the same purpose.

The Siemens spokesman said that the financing of German exports for the Atucha-2 plant was previously assured.

The German Government also granted another "Hermes" credit totalling 100 million Deutsche marks (about \$60 million) for reconstruction of the Argentine power plant network. The Argentine Government has submitted a proposal to allocate 55 percent of the second credit to modernize the Atucha-1 nuclear plant and 45 percent to the San Nicolas thermoelectric plant.

Besides the loans approved for implementation of the electrical energy projects, Argentina has also obtained a "Hermes" credit line totalling 200 million Deutsche marks (\$120 million) that was granted without any

sectorial specification. This credit, which covers German exports to Argentina, has not been completely used thus far.

According to a German Economy Ministry spokesman, the increase in "Hermes" credits have not been discussed during President Menem's current visit to Germany, nor during the 9 April talks between Argentine Economy Minister Domingo Cavallo and German Deputy Economy Minister Dieter von Worsen.

Catamarca Justicialist Party Expels Deputy

PY1004231491 Buenos Aires NOTICIAS ARGENTINIS in Spanish 1102 GMT 10 Apr 91

[Text] San Fernando del Valle de Catamarca, 10 Apr (NA)—Catamarca's Justicialist Party Provincial Council has expelled National Deputy Angel Arturo Luque from the party "because the deputy's attitude in Congress and within the party, and his declarations to the media, have reached a level that they hurt the essence of Peronist political identity."

Yesterday provincial party leaders released a communique explaining the resolution "to punish National Deputy Angel Arturo Luque by expelling him from the Justicialist Party" and adding that the decision will be submitted "to the party convention."

"The drastic decision was approved after considering the deputy's attitude in Congress and within the party" the communique says. The decision has been communicated "to the Justicialist Party National Council and the National Chamber of Deputies," the communique adds.

The provincial council also rejected Luque's declarations during an interview granted to a Buenos Aires daily because they "are of rightist nature" and encourage "aberrant practices to get prisoners to confess."

Trade Surplus With Brazil Some \$690 Million

PY1004232891 Buenos Aires BUENOS AIRES HERALD in English 10 Apr 91 p 5

[From the "Business World" column]

[Text] (DYN)—Argentina's trade surplus with Brazil swelled to almost 690 million dollars last year, 50 percent up on 1989's figure, the National Institute for Statistics and Census reported yesterday. In 1990, exports to Brazil grew by almost a quarter, while imports contracted slightly.

Bolivia

COB-Sponsored Strike Called 'Total Failure'

PY1004182591 La Paz Television Boliviana Network in Spanish 0200 GMT 10 Apr 91

[Text] According to some government officials, the strike declared by the Bolivian Labor Federation [COB] was a

total failure. The city was not paralyzed, and order was not disrupted in any of the capitals in the interior. Public services, except for LAB [Lloyd Bolivian Airlines], operated normally.

The failure of the strike was more evident in La Paz where demonstrations called by the COB were not held and there was no rally, as on previous occasions. Information Minister Mario Rueda Pena said he was frustrated by this fact because his team, which was to count the number of people participating in street rallies, did not have anyone to count. Labor Minister Oscar Zamora Medinacelli made the following remarks on the matter:

[Begin Zamora recording] We have concluded our report on the national strike organized by the COB. Less than 3 percent of the working population observed the strike in La Paz. This is our list of all the factories in La Paz. Only three factories stopped working: Punto Blanco reduced production by 50 percent and Plastics and Atlas reduced production by 100 percent. According to a report prepared by the Labor Ministry, these were the only factories to stop working. This means the rest of the public and private factories continued to function normally.

The rest of the La Paz labor sectors—energy, running water, and gas—worked 100-percent normally, except for LAB, which ceased operation. I reiterate that the rest of the air transportation, energy, running water, and gas services operated normally. In the case of LAB, it observed a strike for the first time; this included its international services.

In the construction sector all companies worked at 100 percent; not one company stopped working. The commerce sector worked with absolute normality; not one store closed its doors. Urban transportation worked 100-percent normally. The financial sector—that is, banks, financial institutions, etc.—operated 100-percent normally; not one bank closed its doors. As for social and municipal services, everything worked normally.

There was a strike only in the El Alto municipality. The university continued to work 100-percent normally. The only sector that has not been mentioned is that of the public teachers; they observed the COB strike and their own strike demanding payment of their salaries. [end recording]

As for activities in the interior of the country, Minister Zamora said that only 50 percent of the public mining sector observed the strike while the private mining sector worked 100-percent normally, except for the Comsur mines. The oil workers also worked normally throughout the country. Factory activity was 95-percent normal, while all of the health, energy, union services, road construction, Entel [National Telecommunications Enterprise], railway company, bank employees, and radio and television workers worked normally throughout the country. The labor minister added:

[Begin Zamora recording] The COB should admit that, at least in La Paz, this has been the least effective strike

it has organized in recent times, at least during this administration. [end recording]

Brazil

Economy Minister De Mello Addresses IDB

PY11040244/1 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Apr 91 p 5

[“Text” of the address by Economy Minister Zelia Cardoso de Mello to the 32nd annual meeting of the Inter-American Development Bank on 8 April in Nagoya, Japan]

[Text] Last year, in Montreal, shortly after the new government was sworn in, I had the opportunity before this same forum to disclose the main guidelines of the Brazilian economic policy and to state our point of view on the role of the IDB [Inter-American Development Bank] as a forum for dialogue and as a bank for Latin American development. I want to once again address these two issues with the experience gained during this past year.

Significant progress has been made toward stabilization and structural reform in Brazil. We implemented an unprecedented fiscal adjustment that allowed us to reverse an estimated 9-percent operational deficit to a 1-percent surplus in 1990. The government recovered its capacity to implement economic and monetary policy as basic tools. We implemented profound state reform to redefine the state's role as regulator and to reduce its participation in the productive sector. The guidelines of our industrial policy were deeply modified with the purpose of modernizing the Brazilian industrial sector and of increasing integration with the world economy. We promoted the opening of foreign trade through the complete elimination of import restrictions and through profound tax reform that will allow us in a four-year term have a 20-percent modal tax. Furthermore, we implemented a comprehensive revision of the patent rights policy, especially in the informatics and pharmaceutical industries. In other words, Brazil reorganized all the significant aspects of its economy, eliminating elements which were instrumental in our inefficiency and which inhibited our integration with more advanced economies.

The results of our struggle to curb inflation have been significant, although there is still a lot to be done. This is due to the complexity of the Brazilian economy, to practices that have become entrenched after more than 40 years of coexisting with high inflation rates, to the difficulty in altering the mechanisms used to adapt to inflation. The battle that lies ahead of us is shared by many Latin American countries. However, there is no room for pessimism, and neither can we ignore the significant progress made. We were on the brink of hyperinflation, and we managed to prevent it. Inflation dropped due to a series of government measures, although it showed signs of increasing again during the

second half of 1990. The deterioration of the international situation was greatly responsible for this. The negative expectations that arose with the Gulf crisis—Brazil was potentially one of the countries most affected by that crisis—in addition to internal factors, nourished inflation.

The difficulties have been tackled, but the achievements made have also prompted the government to adopt, at the beginning of this year, a new package of measures designed to strengthen the stabilization plan. Fiscal measures, especially the reduction of expenditures by the central government and state enterprises, continue to be the core of the new measures. Moreover, we have promoted the deindexation of our economy with the purpose of purging the financial system of profit obtained through speculating on inflation and once again channeling it toward financing growth. We have also declared a necessary and temporary truce on prices and salaries.

The new measures are proving effective. Inflation has dropped significantly. The Brazilian society as a whole, the workers, businessmen, the political sectors are willing to broaden the dialogue. The government is the first one to promote this effort. It has just proposed to the Brazilian society a broad plan to reach agreements on the country's future. Our ultimate desire is to once again grow with more social justice. Stabilization is a necessary and unpostponable requisite, but we are taking a long-term view of the country. We have the prospects of a favorable international scenario and hope to have the support of our developed partners and of the international financial organizations.

Mr. President:

Now that the serious conflicts of the past few months are over, a new opportunity to firmly face the unresolved problems of the past lays ahead of us internationally. The consequences of the serious fiscal unbalance and the transactions of the industrialized countries have long affected international economy. The solution of such unbalances and the implementation of a fiscal adjustment in the United States must no longer be delayed if international economic growth is to be given a decisive boost on a new basis.

It is not redundant to repeat that international prosperity and stability will not be ensured as long as international attention does not focus on the cause of development. The internal political and economic reforms that are being carried out in developing countries, of which the Latin American transformations are an example, have no match in more developed countries. There is in fact a gap between developed and developing countries in terms of the unequal distribution of the sacrifices imposed on their respective populations.

We recognize the need to correct the course of our economies and we are implementing—despite the sacrifices—profound, liberal reforms amid full democracy. We need an international economy that will support and not hinder our development. We need a positive and not

a negative attitude to match our most important needs, especially the foreign debt. We need clear support—without spurious conditions, especially by the multilateral financial institutions—for our stabilization and development plans.

After a long period during which important U.S. political initiatives were absent from the Latin American dialogue, last year we witnessed the launching of the Americas Initiative by President Bush. Such an initiative was welcomed by the Latin American leaders who saw in it a new opportunity for a hemispheric dialogue based on a completely new vision of our economic difficulties and how to overcome them, as well as for hope that economic growth would be resumed in all the continent.

Unfortunately, the attention that was centered on Latin America and the Caribbean and its relations with the United States was drawn to other areas. Now that the negative Gulf situation is over, we think that it is time to resume the dialogue that was begun promisingly. There is no forum more appropriate for expressing Latin American ideals than the institutional pair constituted by the IDB and the OAS. We intend to make the initiative flourish and yield fruit so as to create a prosperous region like in this area of the Pacific. The initiative must preserve its original characteristic of an integrated vision of inter-American development in the fields of commerce, investment, debt, the environment, and technology. Moreover, it is essential that the original proposal which aims at setting the guidelines of this new dialogue be improved and expanded through the exercise of this dialogue which must be stimulated by Latin American proposals. The IDB is one of the privileged forums for such dialogue and for voicing Latin American proposals. In this manner, we will transform the political gesture of President Bush into a real enterprise for and of the Americas as we all—especially IDB President Enrique Iglesias—want. As for Brazil, we are ready to contribute specific proposals to enrich the initiative.

If we want the initiative to become an expression of a mature and constructive continental dialogue, it is important that it be based on a correct vision of the problems of our economies, including the U.S. economy. We therefore want to participate in this dialogue which we think is very important for our countries.

Mr. President,

Brazil gives priority to the preservation and strengthening of the multilateral system of trade. In this regard, we are concerned about the noncompletion, within the scheduled period, of the GATT Uruguay Round despite all the efforts, especially by many developing countries such as Brazil, to reach a consensus. We sacrificed several of our positions and began ambitious liberalization [liberalizacão] programs because we anticipated the success of the Uruguay Round and because we were willing to contribute to its success in a decisive manner. Brazil continues to be firmly determined to work for a successful conclusion of the Uruguay Round.

Regarding regional trade and cooperation, one of the most important changes aimed at resuming growth and modernizing the Latin American and Caribbean countries that has been implemented in the continent refers to the renewal of our integration process. I point out the significance of the decision by the presidents of Argentina, Brazil, Paraguay, and Uruguay to create the Common Market of the South (Mercosur) and to adopt all necessary political and economic measures for the implementation of this common market. In 1994, we will have an integrated market consisting of nearly 200 million people.

The foreign debt issue is one of the pillars of any integration initiative and certainly the main area of success, because the achievements we will be able to obtain in other areas will depend to a great extent on the final solution to that problem.

In the case of Brazil, negotiations on the debt are proceeding normally. Regarding delayed payments, the agreement with the Banks Advisory Committee has practically been concluded. I want to reaffirm that, from the very beginning, our desire was to reach, in the shortest term possible, an agreement that will allow us to quickly move to the second and more important stage: negotiation of the outstanding debt. For this, we have been flexible to the limit of our possibilities, determined by the current adjustment of our public accounts, which we do not want to be damaged, and by our balance of payments goals and projections.

I have always said, and I want to repeat it once again, that Brazil wants an agreement, but not just any agreement: Brazil wants an agreement that can be effectively fulfilled and which will not lead us to new renegotiations. We believe this must also be the objective of the creditor banks and countries. We hope these creditor countries will know how to maintain a balanced position during future negotiations and will not yield to the temptation to support positions that could lead to short-term profits for their banks, but that could become unbearable in a long term. It is up to the governments to adopt this less immediate and broader view, taking into account other interests, as for example, those of the industrial sectors, namely of exporters.

Mr. President,

If the IDB wants to become a valid and important instrument of inter-American dialogue, and the driving force of regional development in the 1990's, helping overcome the effects of the past decade, it must fully preserve its multilateral nature. The seventh increase of capital has given the IDB the necessary resources to carry out its functions which we would all like to see expanded. If the cost of such resources is to transform the IDB into an instrument of unilateral policies of one or more of its shareholders, either to seek national objectives of foreign policy, or to exert pressure in the framework of economic negotiations, such as the debt to commercial banks, I am convinced that a very excessive price will be

paid by the consensus obtained in Amsterdam. Certain recent episodes involving Brazil within the IDB are worrisome and are probably signaling what I mentioned earlier. I am referring to the request, by a group of industrialized member countries of the Group of Seven, for postponement of the discussion on an important Brazilian investment project in the social sector. That request was made against the will of the overwhelming majority of the Latin American, Caribbean, and industrialized IDB members, representing some 57 percent of its capital. Those members expressed their disagreement with the use of that mechanism, and they expressed support for the approval of that project as forwarded to the Board. I want to take this opportunity to publicly thank not only the Latin American and Caribbean countries, but also the Netherlands, Belgium, Denmark, Sweden, Norway, Finland, Spain, Switzerland, Portugal, Austria, and Israel, for supporting the Brazilian position. I also want to thank the president and vice president of the bank for their efforts in the quest for good sense.

I am certain that their attitude sought to preserve the IDB's role as a multilateral institution where decisions regarding financing should be based on technical criteria and the merit of each project.

Brazil was greatly disappointed and the IDB concerned over the reasons given to justify the postponement. By doubting the capacity Brazil—one of the three largest IDB shareholders and its largest client—has to honor its debt to the IDB, the fact that Brazil has always made its payments to the IDB on timely bases was ignored and the bank's role as financial institution and multilateral tool of support for regional development threatened. As a matter of fact, Brazil's payments to the IDB, together with that of other Latin American countries, allowed the institution to continue operating before its capital was expanded.

Therefore, the request made by some countries to postpone discussions on loan applications has no economic grounds. The truth is that this request seeks to establish a new, illegitimate, and unacceptable link between the discussions of loan applications by the IDB directorate and negotiations with the private banking sector. Brazil and, I am certain, most IDB shareholders are against this.

Mr. President,

Brazil hopes that the decision to postpone discussions of the Brazilian project will be reviewed as soon as possible for the benefit of our good financial relations with the IDB and all its member states.

We strongly hope this incident will be overcome soon. We hope that this postponement mechanism implemented along with the seventh capital expansion will never again be used against Brazil or any other IDB member.

On these grounds, Brazil will be willing to work in a constructive manner for a consensus within the institution to strengthen and broaden its area of action. Within this context, it is indicative that this meeting is being held here in Japan, a country which due to its trade surplus, capital export, and the dynamic way in which its economy develops has gained new responsibilities on the international scene. Thus, the IDB gains a global dimension as European countries and an Asian country as important as Japan join it in its effort to contribute to Latin American development.

Mr. President,

Brazil wants to work for the IDB and with the IDB for the development and modernization of our countries and to perfect President Bush's Americas Initiative.

In our capacity as Brazilians and Latin Americans, we hope that the 28 March episode will not be repeated again in the history of this multilateral institution engaged in the Latin American and Caribbean development cause.

Thank you very much.

Returns; Hails Agreement

PY1004015091 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 9 Apr 91

[Text] Economy Minister Zelia Cardoso de Mello returned from Japan today. She expressed satisfaction over the results of the agreement with creditor banks on the Brazilian foreign debt. She feels that the agreement will help the country resume its economic growth. She also gave assurances that price controls will continue.

[Begin Cardoso recording] Price controls will continue. They will be imposed as long as necessary to protect the domestic budget. That is our main concern. [end recording]

Defense Industry Opposes Arms Deal With U.S.

PY1104020491 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Apr 91 First Section p 8

[By Roberto Lopez]

[Text] Yesterday morning in Sao Paulo the directors of the Brazilian Association of Defense Materiel Industries (Abimde) [Associacao Brasileira das Industrias de Material de Defesa] began to prepare a document to protest President Fernando Collor de Mello's intention to approve a mechanism for "the exchange of military information" between Brazil and the United States during his upcoming visit to the United States which is scheduled for June.

The Abimde is afraid that the government might be preparing a new version of the Brazil-U.S. agreement that dominated the thinking of Brazilian military chiefs between 1952 and 1977, frustrating national military

industry programs and burdening the Armed Forces—especially the Army and the Navy—with obsolete U.S.-made tanks and ships that were discarded at the end of World War II.

The Abimde is aware that a Brazilian Government delegation will travel to Washington at the beginning of May to define with U.S. authorities the terms of a protocol that will be signed by Collor, but lacks other details. "This government is known for not releasing information; it is very closed," Abimde President Adherbal Olivieri complained in the afternoon.

Collor's trip was the main topic at the association's last meeting in Sao Paulo on 3 April. "We have to strongly protest, even though right now the problem is not so serious, because we are being treated like second-class Brazilians," Reserves Sea-and-War Captain Fernando da Costa, Abimde vice president and executive director of the SFB Informatica [expansion unknown], said during the meeting. SFB is a Rio de Janeiro firm that develops naval systems based on British technology.

Da Costa sounded quite concerned on the telephone: "Any agreement creating a new dependence among Brazilian military will be like shoveling earth on the country's military industry. I am going to tell our associates that they should leave the industry as fast as they can."

In the past the Abimde could count on 65 associated firms. Today less than 50 are up to date with their monthly contributions. The situation is barely a shadow of the crisis that is about to fall on a military industry that employed 80,000 people in the past and which does not employ more than 40,000 today.

Fernando da Costa said that entrepreneurs involved in military production—many of them reserve officers—have tried to contact generals, admirals, and brigadiers to discuss their concerns. "They have told us that the issue is under study, that no one knows exactly what is it all about, and that no formal proposals on the matter have been submitted, but we are ready to go up to the military ministers." Da Costa said that Olivieri requested a meeting with Strategic Affairs Secretary Pedro Paulo Leone Ramos "two or three times" but that a meeting was never scheduled.

Cuban Airlines Negotiating 'Partial Privatization'

PY1004183091 Madrid EFE in English 1526 GMT 10 Apr 91

[Text] Brasilia, April 10 (EFE)—Cuba is negotiating with the Brazilian airline VASP [Sao Paulo Airline] for a partial privatization of the Cuban state carrier Cubana de Aviacion. VASP president Wagner Canhedo said Wednesday.

VASP is seeking a 60 per cent stake in Cubana de Aviacion in talks taking place this week in Havana

between the Brazilian airline and President Fidel Castro's Communist government, Canhedo said. The remaining stake in the Cuban company would remain in government hands, under the agreement which may be signed in June, he said.

Canhedo estimated that the modernization of Cubana de Aviacion will cost about 800 million dollars, mainly to buy new planes to replace the airline's Soviet-made fleet.

VASP (Viaçao Aerea Sao Paulo, S.A.), formerly controlled by the Sao Paulo state government, was privatized last year.

Special Commission Studying Coffee Group Return

PY0904235491 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Apr 91 Economic Section p 9

[Excerpt] Brasilia—Antonio Maciel Neto, deputy director of the Economy Ministry Industry and Trade Department and chairman of the investigative committee created to investigate the leaking of classified information on the suspension of coffee exports registrations, announced yesterday the creation of a special commission to analyze, until September, whether Brazil should return to the International Coffee Organization (ICO).

Economy Minister Zelia Cardoso de Mello has suspended the registrations to allow technicians to take some measures regarding the possibility of Brazil's returning to the ICO. Among those measures, Maciel cited the changes to the export registration process. As of 21 March, future coffee deals could be made with fixed prices or with prices to be set (taking as reference the New York Stock Exchange), with deliveries in up to 12 months. [passage omitted]

Chile

PPD Urges PCCh To Clarify Policy on Terror

PY1004210091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 10 Apr 91

[Text] Through its president, Erich Schnake, the Party for Democracy [PPD] has called on the Communist Party of Chile [PCCh] to rectify its ambiguous position on terrorism.

Schnake said that on 5 April the PCCh issued a statement entitled "In View of a Dangerous Turn to the Right." He said, however, that this statement does not reject the use of violence as a political tool. He added that despite the rhetoric, this statement merely reasserts Luis Corvalan's call for people to keep their guns just in case.

Schnake said that the PCCh is following the wrong path and is adhering to obsolete formulas that have failed throughout the world. He stated that the PCCh's ambiguous position helps to promote terrorism throughout the country.

[Begin Schnake recording] The PCCh has issued a call for people to refrain from carrying out armed actions but it does not emphatically repudiate the use of violence. This ambiguous position leads certain terrorist groups to believe that they are allowed to carry out their actions because there is a social sector that protects them. [end recording]

The PPD president added that it is absolutely necessary for the PCCh to admit the existence of terrorism promoted by ultraleftist groups and to condemn the actions and existence of armed groups such as the Manuel Rodriguez Front. He also urged the PCCh to reject the use of violence in all cases and to hand over all material it has available that may be helpful to combat terrorism.

Schnake said: In view of the delicate situation we are experiencing, the political parties that have committed themselves to supporting the democratic transition, must help to achieve the social and political isolation of terrorist groups. We therefore urge the PCCh to emphatically join the entire political spectrum which has decided that democracy must be safeguarded as a means of coexistence in Chile.

Miguel Otero Sworn In Replacing Jaime Guzman

PY1004222891 Santiago Radio Chilena Network in Spanish 1700 GMT 10 Apr 91

[Summary] Miguel Otero Lathrop was sworn in as senator this morning. He replaces the late Senator Jaime Guzman Errazuriz. Senate President Gabriel Valdez presided over the ceremony.

Matthei-AN Dispute Overcome After Discussions

PY1104034791 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 11 Apr 91

[Excerpt] The disagreements between Air Force Commander General Fernando Matthei and leaders of the former National Vanguard Party [AN] have been resolved.

After mutual explanations the AN leaders said that they will refrain from filing a lawsuit against General Matthei for comments he made after suffering an affront the day when Senator Jaime Guzman was murdered. [passage omitted]

FEUCH Leader Abducted, Tortured, Released

PY1004165191 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 10 Apr 91

[Text] Arturo Barrios, vice president of the Federation of Students of the University of Chile (FEUCH), was hospitalized last night with contusions and burns. Although there are no official reports on this case, police and hospital sources have confirmed that Barrios was admitted to the hospital.

Adriana Oteiza, Barrios' grandmother, has said that the youth was abducted for several hours by unidentified individuals who threatened to kill him. She added that four individuals forced Barrios into a van where he was kept tied up for the entire day. She added that they threatened to kill members of his immediate family, all of whom were named.

Adriana Oteiza added that Barrios was taken to the hospital because, when he arrived at his house, he was in deplorable condition. She asserted that Barrios had apparent cigarette burns on his body and his hands showed signs of having been tied with wire.

Correa Visits FEUCh Office

PY1004223891 Santiago Radio Chilena Network in Spanish 1700 GMT 10 Apr 91

[Text] Acting Interior Minister Enrique Correa visited the FEUCh [Federation of Students of the University of Chile] offices this morning to express the government's solidarity with the student body regarding yesterday's abduction of FEUCh leader Arturo Barrios.

Minister Correa regretted the incident, and he reiterated the government's determination to put an end to such situations. Asked about the population's perception that extremist groups operate in the country, Correa said that it is not just a perception because terrorism in Chile is a fact.

[Begin Correa recording] That is not a perception but a reality. We have in the country armed terrorist groups which seek to undermine the people's sense of security. There are also ultraright groups like the one which is possibly responsible for the brutal attack on the FEUCh vice president. We also have to consider the Lau'aro Movement and the Manuel Rodriguez Patriotic Front. These groups are not experiencing the same reality we are. They do not have the support of any political party, and the government is working closely with the police to destroy them. [end recording]

Minister Enrique Correa also said that the government will study whether it has to get involved in any lawsuit on the case of the attack on the FEUCh vice president.

Extremists Killed in Rancagua Clash Identified

PY1004160591 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 10 Apr 91

[Report by Rodolfo Munoz from Rancagua]

[Text] The two extremists killed in a clash with Carabineros on the H-30 road in Coltauco have been identified as (Odin Fernando Moera Dasme), alias El Flaco or Francisco, and (Rafael Cid Alvarez), alias El Camilo. (Odin Moera) was from Rancagua, while (Rafael Cid) was from San Fernando. The only detainee has been identified as Pablo Andres Vargas Lopez, alias Tancredo, from Conchali, Santiago.

It has been learned that these three extremists are members of the autonomous Manuel Rodriguez Patriotic Front [FPMR], a faction that does not follow FPMR guidelines.

Unofficial sources have reported that these three extremists are allegedly linked to the killings of Dr. Carlos Perez Castro and his wife in Rancagua. The sources added that the extremists are also linked to the killing of Senator Jaime Guzman and that they planned to attack Senator Sergio Onofre Jarpa.

Three Indicted for Murder

PY1004161791 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 10 Apr 91

[Text] Judge Sonia Araneda, who is investigating the assassinations of military Dr. Carlos Perez Castro and his wife, has indicted the brothers Hugo and Claudio Cerda Bravo on charges of violating the arms law. This was reported by Luis Leon, the lawyer for the brothers. Leon said he will appeal Araneda's ruling before the Rancagua appellate court.

Judge Araneda also indicted another detainee identified as (Fedor Sanchez Frederich); he has been charged as an accomplice in the double killing.

It has been reported that Hugo Cerda Bravo was granted a presidential pardon in March 1990.

Colombia

Authorities Link Jailed Ochoas to Cocaine Farms

PA1004155991 Bogota EL TIEMPO in Spanish 4 Apr 91 p 141

[Text] National police director General Miguel Antonio Gomez Padilla said yesterday that the Arizona and La Voragine farms, where 12 tons of cocaine have been seized over the past 45 days, belong to the Ochoa Vasquez brothers.

The high-ranking officer, who chaired a promotion ceremony of 100 noncommissioned officers at the Gonzalo Jimenez de Quezada military school in Sibate, added that "the farms belong to them and now some of their front men could be running them; we are going to investigate and we will continue investigating."

The officer also said that the real owners of the drugs were important Medellin cartel members, but he did not identify them.

Gomez said: "There is sufficient evidence pointing to the Medellin cartel as the owners of the drug, given the routes, the procedures, and the sites where we are currently carrying out intelligence efforts to destroy the laboratories where the drug was being processed."

Gomez Padilla noted that during the drug operations in the Cordoba Department, the police intelligence service

determined that drug traffickers Dario Mendoza Para and Luis Jeronimo Berrocal, who were arrested by the Judicial Technical Police in Venezuela on 30 March, were only in charge of sending the drugs abroad.

The general also confirmed that the Directorate of the Judicial Police and Investigation (DIJIN) is working on evidence that could implicate the Ochoa brothers in the cocaine cargo. The Ochoa brothers are currently in an Itagui jail, having taken advantage of the benefits provided in Decrees 2047 and 303 which allow reduced sentences and rule out extradition for those who surrender to the authorities.

The general added, however: "It is one thing for people to surrender, as some have done, and it is another for their subordinates to replace them in drug trafficking."

In this regard, Gomez Padilla said it is possible that the infrastructure owned by the Ochoa brothers in Cordoba Department is being used by other members of the Medellin cartel.

The officer said that "the Ochoas have shown good faith by surrendering, but it is something else for their property to be used to transport and distribute drugs."

EL TIEMPO consulted Hernando Cordoba, director of the Agustin Codazzi Geographical Institute of Sucre, to find out who really owns the farms where the antinarcotics operations were carried out, but the official said he could not provide any information because of the orders from the Administrative Department of Security (DAS) and the police.

Nevertheless, in Cordoba, some sources indicated that the owner of La Voragine farm, where 4,150 kg of cocaine were seized a month ago, is Jairo Pineda, who was killed by hired gunmen in Medellin several days after the cocaine seizure.

Regarding the Arizona farm, other sources said it is owned by a person with the last name of Negrete. Negrete is believed to be the front man for the real owners: Dario Menoza and Luis Jeronimo Berrocal.

On another subject, Gen. Gomez Padilla said he does not know where the telephone call from Medellin cartel chief Pablo Escobar Gaviria came from. During the call, Escobar Gaviria said that he will not surrender until the extradition issue is included on the agenda of the National Constituent Assembly.

Ochoas Deny Farm Ownership

PA1004224791 Bogota EL TIEMPO in Spanish
5 Apr 91 p 14A

[Text] The Ochoa brothers, Jorge Luis, Fabio, and Juan David, said on 4 April that they have never been the direct or indirect owners of the "Arizona" and "La Voragine" farms in Cordoba, where 11 tons of cocaine were found.

In a communique issued from the Itagui Penitentiary, they pointed out that they had received "information that our enemies were planning to link us again to drug trafficking."

On 3 April, Police Director General Miguel Antonio Gomez Padilla stated that the Ochoas had been or are the owners of the farms in question, he added that an investigation is under way to determine whether they are directly connected to the drugs.

On 4 April, the Ochoas released a copy of a letter dated 6 February and addressed to Justice Minister Jaime Giraldo Angel. According to the Ochoas, the letter claimed that the security agencies intended to link them to cocaine trafficking.

It stated that: "An attorney, who is advising us, met with a high-ranking government official who told her that security agency reports suggested that we are still involved in drug trafficking activities and handling such transactions from the penitentiary."

Penned by Jorge Luis and Fabio Ochoa, the letter asks "Doctor [Giraldo Angel], do you think that we, after having turned ourselves in, would continue in this business—given that we have the opportunity to mend our lives and the lives of our families?"

At the time the letter was sent Juan David had not yet turned himself in; he surrendered to the authorities on 16 February.

Gomez Padilla, in statements to the press, said that there is sufficient evidence to prove that the cocaine found in Cordoba belonged to the Medellin cartel.

According to the high-ranking official, Dario Mendoza Parra and Jeronimo Berrocal—drug traffickers who were arrested in Venezuela and charged with the disappearance of a narcotics agent and his assistant, and were also charged as the owners of the cocaine seized in Cordoba—were mere contacts in charge of expediting the drugs abroad.

The police director, however, did not say that the drugs belonged to the Ochoas. He stated: "It is one thing to surrender to Colombian justice, as some have done; it is another matter for them to be immediately replaced by second or third rate members who continue with the drug-trafficking."

The Ochoa brothers, in their 4 April communique, claimed that the statements made by the police "are false and ill-intentioned and seek to undermine and our good intentions and the government's policy."

Two Oil Refineries Placed Under Military Control

PA1004142491 Bogota EL NUEVO SIGLO in Spanish
6 Apr 91 p 8

[Text] The country's two main refineries in Barrancabermeja and Cartagena were placed under military control on 5 April as a security measure after talks between Ecopetrol [Colombian Petroleum Enterprise] and its workers broke down.

The Ecopetrol union (the Workers Trade Union, USO) had scheduled a meeting of the union's deputy directors to present a report to the strike committee so as to establish the best conditions for beginning the strike, but the meeting could not be held because of the security measures adopted by the enterprise.

Nevertheless, Manuel Cepeda of the union's leadership, said the strike has already been approved by a general assembly of the workers who authorized the board of directors to decide, if necessary, the time when the strike will begin.

Cepeda added that a new general assembly of the workers is scheduled for 8 April, but if it cannot be held, the strike committee will undertake any necessary initiatives.

In order to prevent the workers from seizing the refineries, Ecopetrol asked for military control of the refineries to guarantee the fuel production.

In addition to the security measures, the government authorized an increase in gasoline imports to guarantee domestic supply if a strike breaks out.

The workers reacted to the security measures by not leaving their jobs at the end of each shift, which is covered by approximately 300 workers.

At the end of the afternoon, a large number of workers were still at their workplace, waiting for orders from the union leadership.

Ecuador*** Regulations Implementing Antidrug Law Published**

9ISM0244C Guayaquil EL UNIVERSO in Spanish
10 Mar 91 p 10

[Text] Quito—The president has issued Executive Order No. 2145-A containing regulations for application of the law on narcotics and mind-altering substances promulgated on 17 September 1990 in Official Registry No. 523.

Context and Features

The order issued regulates actions aimed at combating and eradicating illegal production, supply, trafficking, and improper use of narcotics and mind-altering substances. It also regulates actions relating to the control of production and marketing of controlled substances; actions connected with dependency research, with the prevention of abuse,

and with the rehabilitation of drug-dependent persons; and finally, actions relating to organization of the executive, advisory, administrative, and technical operations of the National Council on Prevention of the Improper Use of Narcotics (CONSEP).

Organizations

CONSEP, an autonomous legal, government entity established by Article 9 of the law, will be made up of the following organs: a board of directors, an office of executive secretary, regional and zonal headquarters whose locations will be determined by the board, and provincial headquarters.

Drug Addicts

The "improper use of medicines, mind-altering substances, narcotics, or any other controlled substance is interpreted to mean without a doctor's prescription."

Law enforcement officers who take persons exhibiting symptoms of being under the harmful effects of a controlled substance to hospitals or care centers for verification of their condition by medical personnel will immediately notify CONSEP, radio patrols, or the closest police detail. They may not take them to jail or provisional holding centers.

Rehabilitation

The main purpose of treatment and rehabilitation measures is to help the person be usefully reintegrated into the community.

Treatment administered to persons improperly using controlled substances may be on an inpatient or outpatient basis, depending on the evaluation made by doctors in the individual cases and confirmed by CONSEP forensic experts.

Chemical Substances

Importers and exporters of chemical precursors and other specific chemical products who obtain authorization to import or export such products must sell exclusively to individuals or corporations registered and classified by CONSEP and report such sales to CONSEP monthly.

Importers, pharmaceutical laboratories, clinics, hospitals, and pharmacies that sell medicines or prescriptions containing narcotics or mind-altering substances will apply to CONSEP for the proper license.

Import or export permits covering controlled substances will expire 180 and 90 days following issuance, respectively, may be used only once, and cannot be used for the importation or exportation of different substances.

Drug Money Laundering

CONSEP will send to superintendents of banking and corporations, the country's property and commercial registries, directors of cooperatives, and provincial

transit directors lists of individuals under investigation and being prosecuted or sentenced for crimes classified by law, which lists will be treated as confidential and updated twice monthly.

In order that the Office of the Superintendent of Banks may authorize the registration of the transfer of shares in the entity subject to regulation, CONSEP must send to that entity twice monthly the confidential list of persons involved in infractions, as defined by law.

*** Court Commission To Investigate Indian Deaths**

9ISM0244B Quito HOY in Spanish 3 Mar 91 p 5 A

[Text] The Court of Constitutional Guarantees (TGC) will investigate reports that paramilitary groups organized by landowners are engaging in acts of violence such as the murder of Indian leaders and the militarization of peasant communities.

For that purpose, TGC presiding magistrate Judge Eduardo Zurita has ordered a special commission, on which he will serve, to visit several Indian communities to investigate reports presented by the Confederation of Indian Nationalities of Ecuador (CONAIE).

The report filed by CONAIE President Luis Macas tells of the murder of leaders Jose Jacinto Gualailla and Cayetana Farinango and claims that landowners are responsible.

Macas said that other Indian leaders turned up missing after they reported the militarization of several peasant communities in the mountains and in the east. He asked the court to investigate the case in order to determine who was responsible and to halt such acts of violence. He also stated that soldiers have gone into schools in Indian communities to conduct classes, kicking out the government-employed teachers.

*** Barreiro Opposes Tariff Reduction in 1992**

9ISM0244A Quito HOY in Spanish 16 Mar 91 p 3 A

[Text] Guayaquil—Andres Barreiro, president of the Guayaquil Chamber of Commerce, said yesterday that Ecuador cannot agree to embark upon any accelerated tariff reduction such as the one proposed in La Paz for 1992 because it would mean "an enormous risk to the country and an adventure that reaps no benefit." He therefore tacitly supported the Colombian position of postponing the reduction until 1995 for at least three industrial sectors.

Barreiro said he would ask President Rodrigo Borja to complete an analysis separate from the one being conducted by the tripartite commissions in order to ascertain whether or not the accelerated reduction is appropriate.

He said a plan had been approved in Galapagos to initiate the reduction in 1995. Such a plan would require an enormous, serious national effort to modernize the country.

In contrast, if we accept the tariff reduction approved in La Paz, "we run the risk of losing many jobs, industries, and investments, but above all, the risk of upsetting Ecuador's stability by three- or four-digit inflation," he warned.

"That is the great danger facing Ecuador in 1992 and it is our patriotic obligation to make the government see this," he said.

At the same time, Barreiro wondered what would happen to the food supply when our products, which are now smuggled over the border, resulting in shortages, can leave legally.

"What will happen to our fuel when filling the tank costs 60,000 sucres in Peru and barely 8,000 here?" he asked.

Furthermore, "for 20 years, our exports to the Andean Group have reached the bloodcurdling figure of 2.5 percent and we have imported 5 percent, which means that that is all we have 'gained' from this process of Andean integration," the president of the Guayaquil Chamber of Commerce said.

Peru

Spanish Delegation Offers Antidrug Cooperation

Possible EC Role Noted

PY1004161291 Madrid EFE in Spanish 1310 GMT
10 Apr 91

[Text] Lima, 9 Apr (EFE)—Rafael Vera, Spain's secretary for security matters, said today that his country is willing to cooperate with the Andean countries in the fight against international drug trafficking and to support the antidrug initiatives of the EC.

The high-ranking Spanish official, who is in Lima on an official visit, told Spanish reporters that the United States "is interested in seeing the EC take an active part" in the Andean antidrug policy by offering special assistance to coca growers through development aid and crop alternatives. There are some 250,000 peasant families involved in growing coca in Bolivia and Peru.

Vera said the EC understands the position of the coca-producing countries better than the United States and accepts the fact that the solution of these countries' drug trafficking problems depends more on economic help than on repression.

He added that the EC countries have influenced the United States to change its antidrug doctrine for Peru, which was "entirely repressive." Peru is responsible for 60 percent of the world's coca production. Bolivia is the source of 30 percent of the production, and Colombia is home to the drug trafficking "cartels."

Vera said Bolivia and Peru, which have or are negotiating antidrug agreements with the United States, should also request the assistance of the EC, where nearly 20

percent of the cocaine being trafficked worldwide ends up. In 1991 this 20 percent translated into some 90,000 kilos.

Vera denied that Spain is planning to cooperate in the antiterrorist fight in Peru, although he explained that "if we help the country develop, overcome misery, and put an end to the terrorists' financial source of drug trafficking, we will be contributing to the eradication of terrorism."

Peruvian experts believe that the antidrug fight includes the eradication of the Shining Path guerrillas (Maoist) and the Tupac Amaru Revolutionary Movement (Guevarist), which are fighting for control of the coca-growing valleys in the lower areas of the Andean region.

Vera said: "Spain will present to the EC and defend before it the importance of the development program in the reduction of drug trafficking in the Andean countries."

He said the U.S. experts responsible for the antidrug fight "are aware of their difficulties and negative image" and have recently asked Spain to "act as a bridge" in contacts with the coca-producing countries and to help introduce aid and development assistance in the anti-drug policy.

He added that, although the aid to be granted has yet to be defined, Spain can better cooperate with Peru by transferring new police technologies, providing expert training in narcotics, and rendering assistance in public order matters.

A Peruvian commission will visit Spain in the next two months to study the areas of cooperation, he said.

Vera is heading a delegation of eight high-ranking officials from the Spanish security services which is touring Chile, Peru, and Nicaragua.

Security, 'Subversion' Discussed

PY1004175091 Lima RTP Television Network in Spanish 1100 GMT 10 Apr 91

[Text] The commanders in chief of the three branches of the Armed Forces are meeting under strict security measures with members of a Spanish security sector delegation at the Armed Forces Joint Command building.

[Begin unidentified reporter recording] A delegation of Spanish diplomats making up a security mission which has been in Lima since yesterday has just arrived at the Armed Forces Joint Command premises. The delegation met yesterday with acting President Maximo San Roman. Strict security measures have been adopted for this meeting, which was apparently also attended by Interior Minister General Victor Malca Villanueva.

Today is the second day of the Spanish delegation's official visit. The delegation has brought important

economic aid to be used to reequip the Peruvian Armed Forces and police to enable them to better fight subversion. [end recording]

Bomb Threat Delays Departure

PY1004212891 Madrid EFE in Spanish 1559 GMT 10 Apr 91

[Text] Lima, 10 Apr (EFE)—A bomb threat today delayed the departure of a Peruvian aircraft in which an official Spanish delegation of eight people, headed by Security Secretary of State Rafael Vera, was about to travel.

The aircraft of the state-owned airline Aeroperu was searched by police experts in the "black zone" of the Lima airport but it was proven that it was another case of "white terrorism" against a Peruvian commercial airline.

Due to the bomb scare, the flight bound for Panama was delayed three hours. The Spanish delegation included, among others, Vera, Civil Guard Director Luis Roldan, and Miguel Solans, Spanish Government representative for the National Drug Plan. The delegation was en route to Nicaragua.

During its two-day stay in Lima the Spanish delegation met with high-ranking officials in charge of Peru's security. For the past 11 years Peru has been shaken by political violence that has caused approximately 22,000 deaths.

The high-ranking Spanish officials met with Maximo San Roman, Peruvian vice president and currently acting chief of state; Interior Minister General Victor Malca; and Defense Minister General Jorge Torres Aciego, among others.

During the visit, Spain and Peru established the framework for future cooperation in the area of security. That cooperation will be decided on during the next two months when a Peruvian Government delegation will visit Madrid.

In a statement to Spanish journalists in Lima, Vera denied that Spain is going to cooperate with Peru in the struggle against the (Maoist) Shining Path and the Tupac Amaru Revolutionary Movement (MRTA).

Vera asserted that the cooperation will be given to aid the antidrug struggle, to train specialists, and to help in the use of new technologies for police forces. Advice on how to preserve public order will also be provided.

Vera said that Spain is willing to act as intermediary to help the Latin American countries most affected by drug trafficking—Bolivia, Colombia, and Peru—channel the technical and economic cooperation that the European Community may grant South America.

'Ultraleftist' Groups Clash at Lima University

PY1004221891 Buenos Aires TELAM in Spanish
1643 GMT 10 Apr 91

[Text] Lima, 10 Apr (TELAM-DPA) — Spokesmen for Lima's San Marcos University explained today that the violent incidents that took place on the campus were in fact confrontations between ultraleftist groups.

The incidents, which lasted for several hours on 9 April, began when members of the Shining Path guerrilla group tried to carry out a show of force and were confronted by members of Red Fatherland [Patria Roja], another ultraradical organization.

During the confrontation, which resulted in an undetermined but important number of injured, the groups detonated explosives, destroyed windows, and burned tires while police, who maintained a passive attitude, waited outside. The police used the argument that "they did not have an order to enter the premises."

A group of Shining Path members, armed with sticks and stones, beat up photographers from the newspapers OJO and EL NACIONAL and the cameramen of two television newscasts, and snatched their material. The press today criticized those acts.

Huancavelica Court Officials Survive Attack

PY1004215091 Lima RTP Television Network
in Spanish 1800 GMT 10 Apr 91

[(Ciro Yarupaitan) report from Huancavelica]

[Excerpt] This is a report from Huancavelica for "60 Minutos":

Rogelio Galvan Garcia, president of the correctional court of the Huancavelica superior court, miraculously escaped injury in a terrorist attack perpetrated near his home on (Chancas) Avenue in this city.

Galvan Garcia, who was accompanied by the Superior Court Secretary (Gregorio Yanco Chaves), was heading for home when the two were intercepted by an individual carrying a gun. The individual fired on (Yanco Chaves) at point-blank range. (Yanco Chaves) suffered a bullet wound in his left collarbone. In the meantime Galvan Garcia jumped off the highway to escape the shot aimed at him.

The armed individual fled at the shouts of eyewitnesses who helped the victims.

The attack was perpetrated at 1845 yesterday. [passage omitted]